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NEWS SUMMARY

GENERAL

Germany, France warn Soviets

France and West Germany issued a joint foreign policy declaration warning the Soviet Union that East-West relations would be impaired permanently if Moscow did not rapidly withdraw its troops from Afghanistan.

In Brussels, EEC Foreign Ministers agreed that their response to the intervention in *Afghanistan had been too slow*, and they indicated they would consider a boycott of the Olympics. **Back Page; Editorial comment, Page 16**

Rhodesia move

Rhodesia Governor Lord Soames today publishes a special ordinance detailing a range of possible political measures designed to curb increasing election intimidation. **Back and Page 3.**

Envoys recalled

France recalled its diplomats from Libya and demanded parallel cuts at Libya's Paris embassy. The move followed the sacking of the French embassy and a consulate. **Page 3**

Britons die

Four Britons were killed and 10 people injured in an avalanche at the northern Italian ski resort of Cervinia. Other avalanches killed a mountain guide in the French Alps and a skier in Switzerland.

Guerrilla killing

Paolo Paoletti, 38, manager of the Icmesa chemicals plant that caused Italy's worst pollution disaster four years ago, was shot dead by four guerrillas outside his Monza home. **Page 2**

Civil war fears

Syria appears determined to withdraw its troops from Beirut in a move which has reawakened fears of a Lebanese civil war. **Page 3**

Britain praised

U.S. State Department's annual *human rights survey commends* Britain's efforts to "preserve public safety and combat terrorist violence within a sharply divided community, while ensuring respect for human rights for the people of Northern Ireland. **Page 4**

Korea meeting

Delegations from South and North Korea meet today at the border village of Panmunjom in a *bid to arrange the first meeting* between the countries' Governments since 1953. **Page 3**

Ulster impetus

Extra meetings are to be held this month in the Northern Ireland constitutional conference, reflecting a desire by Ulster Secretary Humphrey Atkins to give fresh impetus to the talks.

Shah inquiry

Group of French lawyers arrived in Tehran to discuss setting up an international commission of inquiry into the alleged crimes of the ousted Shah.

Ripper theory

Tape recordings and letters thought to have been sent to the police by the Yorkshire Ripper, could be hoaxes, *Scotland Yard's* Commander Jim Nevill admitted.

Man at the top

Frenchman Jean-Marc Boivin, 29, winner of the International Award for Valour in Sport for hang-gliding from K2, the world's second highest mountain, plans to ski down the East and North faces of the Matterhorn.

Briefly . . .

England ended the fourth day of the Third Test against Australia at 157-6, needing 14 runs to make Australia bat again.

More snow is forecast today for Scotland and the North. **Weather, Back page**

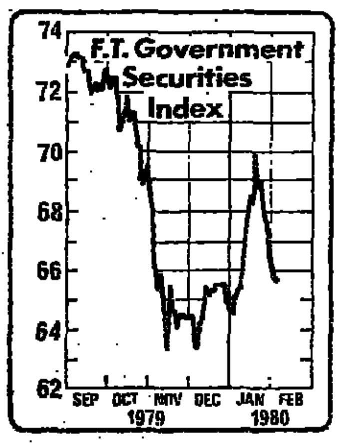
BUSINESS

Sterling firm; Gold up $18.50

● **STERLING** closed at $2.2905, a rise of 50 points on the day and its trade-weighted index was 72.5 (72.3), the highest finishing level since last July. **DOLLAR** closed at DM 1.7420 (DM 1.7415). *Its index fell to 85.1 (85.2).*

● **GOLD** reacted cautiously to *the auction* of 440,000 oz by the International Monetary Fund, rising $18.50 to close at $685.50.

● **GILTS** continued nervous on the banking figures and the *Government Securities index* closed 0.26 down at 65.69.



● **EQUITIES** moved forward on hopes of a concerted effort to solve the steel strike, and the FT 30-share index closed 2.1 up at 447.8.

● **WALL STREET** was 1.20 *points down* at 873.39 near the close

● **BRITISH SHIPBUILDERS** has just had its best quarter for new orders since nationalisation in 1977. It won orders, valued at £94m, for 10 ships totalling 180,610 gross tons. **Back Page**

● **TOOTAL**, the textile group, is to make about 800 people redundant in Northamptonshire and London as part of a rationalisation of its women's dress and men's shirt operations. **Back Page; Clothing industry wins back some chain store custom, Page 6**

● **BRITISH AEROSPACE** and McDonnell Douglas of the U.S. have joined to bid for a new U.S. Navy trainer aircraft contract that could eventually be worth more than $5bn (£2.18bn). **Page 6**

● **FIRST NATIONAL** Bank of Chicago, has released £1m of deposits to Bank Melli Iran, which the U.S. bank had held to be blocked under the U.S. freeze on Iranian assets, Bank Melli said.

● **PROPERTY-BASED** funds provided the best average returns last year for pension scheme investments, according to the latest survey on pooled pension funds by Wyatt Harris Graham, the employee benefit consultants. **Page 8**

COMPANIES

● **ASSOCIATED FISHERIES** continued its recovery, begun in the first half, with pre-tax profits for the year to September 30, 1979, of £2.19m, compared with a loss of £2.37m previously. **Page 18**

● **UNITECH**, the electronics company, reported a 41 per cent increase in pre-tax profits to £1.99m in the half year to *December 1, 1979, compared* with £1.41 last time. **Page 18**

● **AARANSON BROS.**, the veneer merchant, reported a rise in pre-tax profits from £3.47m to a record £4.01m for the year to September 30, 1979, on turnover £12.8m higher at £47m. **Page 19**

LABOUR

● **LONDON** *enclosed* docks are likely to be hit by a strike next week following the breakdown of pay talks between the employers' association and the two dockers' unions. **Page 10**

● **BL CARS** pay package seemed to be meeting growing opposition with a walkout by about 730 workers at the Jaguar plant at Coventry. **Back Page**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise *indicated*)

RISES:		
Barlow Rand	430	+ 25
Dowty	169	+ 8
GEC	356	+ 6
Glaxo	470	+ 5
Gripperrods	177	+ 7
Magnet & Southerns	162	+ 4
Shiloh Spinners	81	+ 3
Thermal Syndicate	115	+ 5
Travis & Arnold	233	+ 7
Unitech	260	+ 12
Sungei Bahru	228	+ 18
Cons. Gold Australia	380	+ 15
Gold Fields of SA	490	+ 13
Middle Wits.	430	+ 30
UC Invs.	455	+ 40
FALLS:		
Treasury 12 1/2pc 2003-2005 "A" (£25 pd)	£21	− 1
British Cargo Air.	30	− 5
Decca	460	− 15
Greene King	340	− 7
Racal Elec.	213	− 7
Sothebys	495	− 10
Lennard Oil	70	− 15
Mount Lyell	120	− 14

UNION ORDER NOT TO HALT SAFETY WORK

British Steel will make revised pay offer today

BY CHRISTIAN TYLER, LABOUR EDITOR

The British Steel Corporation is to put a revised pay offer to trade union leaders today and it hopes that this will lead to the early resumption of full negotiations.

As the strike entered its fifth week, Mr. Bob Scholey, BSC chief executive, declared that the "period of exploration is *coming to an end.*"

He will be in touch with the Iron and Steel Trades Confederation today to arrange a full negotiation meeting within days.

The new BSC peace moves came after a day when:

● Union leaders told their South Yorkshire members not to withdraw safety cover. If the strikers ignore the instruction, BSC is confident that *management staff could fill the gaps.*

● Mr. Tiny Rowland, chief executive of Lonrho, owners of Hadfields, the Sheffield private steelmakers, made a bitter attack on BSC's handling of the strike. After an angry meeting with Sir Charles Villiers, BSC chairman, Mr. Rowland described him as "impossible."

● Private steelmakers' representatives told Mrs. Thatcher *and other Ministers that much* stronger industrial relations legislation was needed.

● It became clear that shortly after the strike ends a Bill will be introduced into Parliament raising BSC's borrowing limit *by £750m to £4.75bn.* Most of BSC's accumulated debts of more than £1bn in five years will be written off in a subsequent capital reconstruction.

British Steel's latest offer was now a 12 per cent minimum and the "mix is different." Sir Charles Villiers said. But he stressed that productivity bargaining was still the mainspring of the Corporation's offer.

The Corporation has already told its craft and general unions that a previous offer of 8 per cent nationally and 4 per cent after plant productivity, deals is "flexible," and has relaxed two of the main conditions attached to the 8 per cent increase.

It was unclear last night how much further BSC is prepared to go to entice the Iron and Steel Trades Confederation *and the National Union of* Blastfurnacemen to the bargaining table.

The Corporation's confidence yesterday was the result of informal talks on Monday night in Luxembourg with Mr. Bill Sirs *of the ISTC and Mr. Hector* Smith of the Blastfurnacemen.

Mr. Scholey and Dr. David Grieves, managing director of personnel, met the union leaders after a regular session of the European Coal and Steel Community's labour relations subcommittee.

Strikers were told by the ISTC yesterday not to withdraw safety cover after militant steelworkers in South Yorkshire *threatened to intensify the* action.

The union told its divisional organisers over the telephone that they must obey the decision of their national executive committee.

The executive had decided on January 4, two days after the strike began, and again on January 18 that blast furnaces, coke ovens and steelmaking plant must be kept alight for *the duration of the dispute.*

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Strike effects Page 6

Ban on sympathy strikes ruled out

By Richard Evans, Lobby Editor

THE GOVERNMENT has ruled out emergency legislation to outlaw sympathy strikes like the one affecting the private sector of the steel industry, in spite *of growing disquiet in the* Conservative Party.

Mrs. Margaret Thatcher came under pressure in the Commons yesterday for much tougher action against striking steel workers, but she made it clear she favoured a more cautious approach.

She said she had considered rushing through a short one-clause Bill making ballots mandatory before a strike call, but she had decided the political difficulties would be too great.

"I think we will have to get the steel strike settled first," she said, to the dismay of some of her *backbenchers.*

But the Government's consultative document on trade union immunities now being drafted will cover both commercial contracts and employment contracts, which suggests that action on sympathy strikes could be launched later.

There are signs that the legal officers are having considerable difficulty in finding a satisfactory formula that will not under*mine the primary right of trade* unions to strike. There might be a delay of a few days in publication of the document while further consultations take place.

The intention remains to introduce amendments on secondary blacking and possibly secondary (sympathy) strikes during the committee stage of the Employment Bill now before Parliament. This covers secondary picketing, closed *shop provisions and voluntary* strike ballots.

Mr. James Prior, Employment Secretary, tried to meet Tory *impatience* yesterday by insisting that the Bill already contains proposals for coping with nearly all the difficulties that have arisen in the steel strike.

It appears he has the backing of the Prime Minister in his determination to proceed *cautiously* on the reform of industrial relations law, but pressures could increase if the consultative document proves inadequate for Tory tastes.

It was apparent that temperatures over the steel dispute were rising on both sides of the Commons yesterday as Labour MPs launched their most effective onslaught so far against the Government. But Mrs. Thatcher gave no indica*tion of a shift in the Cabinet* position.

Parliament Page 11

Money supply growth above target

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT is finding it difficult to reduce the rate of monetary growth as quickly as it *would like in face of strong* inflationary pressures and a big demand for credit from the tightly squeezed manufacturing sector.

Banking figures published yesterday by the Bank of England indicate that the underlying rate of growth of sterling M3, the *broadly-defined* money supply, was above the top end of the official target range after a rise of probably *about 1 per cent last* month. Bank lending also continues to rise sharply.

Moreover, the attempt to contain these pressures has been producing severe strains within the financial system. An increasing number of banks, including all five London clearers, are now facing penalties under the corset restrictions on the growth of their operations.

The *latest figures will* reinforce the cautious attitude of the authorities. They want to see banking statistics for at least another month or two and to wait for the financial forecasts and targets in the Budget on March 26 before considering any change in Minimum Lending Rate.

Indeed, many City analysts now seem to be deferring hopes of a cut in MLR to well beyond the Budget. *The* majority opinion is still that last month's increase does not represent an underlying deterioration but *instead reflects the combination* of unfavourable seasonal and cyclical influences.

The figures were, however, worse than the City expected and long-dated gilt-edged stock finished down by as much as £1 after normal trading hours following gains of £¾ in the morning. The new long-dated stock—12½ per cent Treasury 2003-05—last night stood at £21, compared with a peak of £26¼ less than a *fortnight ago.*

The key indicator published yesterday was the eligible liabilities of the banking system, *a major component of their* deposits and of sterling M3. These rose by 2.5 per cent to £52.94bn in the month to mid-January.

This is not, however, a good guide to sterling M3 because of factors which boosted eligible liabilities but did not affect the money supply. In particular, there were a series of transactions between the discount market and the banks and there was a *sharp rise* in overseas residents' sterling deposits.

Consequently, it is estimated that sterling M3 increased by roughly 1 per cent last month after rises of 0.6 and 0.4 per cent in the *previous* two months. This indicates an underlying annual rate of increase of about 12 per cent since last June, compared with the 7 to 11 per cent target range.

While this is still too high a rate, it is lower than early last autumn and the authorities do *not appear to be particularly* worried by the figures.

Interpretation is, however, complicated by seasonal influences. Half-yearly debiting of interest charges account for a large part of the £1.81bn rise in sterling advances by the London clearing banks to the UK private *sector last month.*

The underlying rise in the London clearers' advances is estimated at about £1bn, much larger than in the previous two months. But there was evidence that increases in money market interest rates caused significant switching of company borrowing from market sources into overdrafts.

With that proviso, the rise in total lending by all banks may *not have been far off the £1.2bn* rise of last October.

There may, however, have been an important change in composition. Lending to the personal sector appears to have levelled off and the London clearers report that about one-half of the underlying rise was in lending to manufacturing. This would be in line with other evidence of a tightening financial squeeze on industry *produced by rapid inflation and* higher than desired levels of stocks of goods following a weakening in demand.

The central Government's finances were boosted by seasonally heavy tax payments and by substantial sales of gilt-edged stock, though the nationalised industries and local authorities did borrow from the banks.

The pressures on the banks *produced by the continued* demand for loans and the draining of funds out of the market into the Government are shown by the increased problems posed by the corset. These pressures have continued this month.

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£ in New York

—	Feb. 4	Previous
Spot	$2.2930 2935	$2.2740-2755
1 mth	0.72-0.66 dis	0.75-0.70 dis
3 mths	1.78-1.68 dis	1.85-1.60 dis
12 mths	5.90-5.75 dis	4.20-4.05 dis

CBI warns of serious effects by end of month

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

GLOOMY FORECASTS about the business prospects of manufacturing industry in the next few months were issued yesterday by the Confederation *of British Industry which also* warned that the steel strike will be having serious effects on companies by the end of this month.

The CBI's quarterly industrial trends survey showed that the decline in manufacturing activity, drop in orders, and worsening investment intentions which have occurred during the past eight months are unlikely to improve in the immediate future, irrespective of the result of the steel strike.

But the CBI is not asking for any major changes in Government policies, although it will tell Sir Geoffrey Howe, the Chancellor, next week that his March Budget should contain *substantial cuts in company as* well as personal taxation.

The CBI will also complain about the continuing *high level* of interest rates and will point out that its economic situation report published yesterday *showed increasing concern* about companies with liquidity problems.

The generally gloomy industrial *outlook in yesterday's* quarterly survey was presented in a low key fashion which contrasted sharply with the note of alarm which was struck by the CBI in its previous survey report last October, when a sharp drop in confidence was recorded.

Yesterday's survey showed that there have been only marginal improvements during the past few months and that more companies are shedding labour. Small businesses are also beginning to voice concern about their prospects.

However CBI leaders yesterday went out of their way to stress that the most significant point was that confidence and activity had not slumped as a result of the steel strike.

Sir John Methven, CBI *director general, said*: "I am surprised there has not been more of a dip. Companies are managing to hold on better than expected but the real problem will come when the strike ends and one sees how long it will be before full steel supplies are flowing again."

Throughout the strike the CBI has maintained a low profile — apart from its calls for changes in labour laws — *so as not to put pressure on* the Government to settle the dispute. It has been monitoring the effects of the lack of steel production on a sample of about 50 manufacturing and construction companies and has so far found they are maintaining work at 98 to 99 per cent of *planned levels.*

Details Page 10

UK to curb U.S. fibre imports

BY GILES MERRITT IN BRUSSELS

CURBS on the flood of cheap U.S. man-made fibres now disrupting the UK market are shortly to be imposed by the Government.

Britain has left its Common Market partners and the European *Commission* in little doubt that Article 19 of the General Agreement on Tariffs and Trade is to be invoked against the U.S. to protect the UK synthetic fibres industry. This followed yesterday's EEC Council of Ministers meeting in Brussels.

There was strong indications that Mr. John Nott, Trade Secretary in Brussels, will tell the Commons on Friday that special *trade measures are to be* adopted. This was in spite of a warning by Herr Wilhelm Haferkamp, EEC External Trade Commissioner, that such a move could unleash a damaging trade war between the Community and the U.S.

The precise form of the British trade barriers is still being reivewed by the Government. It will also be the subject of negotiations with the Brussels commission.

It is expected the UK will opt either for emergency quotas to greatly reduce the volume of U.S. imports or for duties that could amount to 18-20 per cent.

The commission has indicated it would accept a British *demand for curbs to be imposed* on polyester, filament yarn but the UK has given no undertaking it will not seek to include nylon, and tufted carpets in its protectionist package.

The danger of the British move is that it may provoke retaliatory action if the U.S. Government can no longer restrain U.S. steelmakers from starting anti-dumping suits against *EEC* producers.

The possibility of a trade war that would unravel the trade liberalisation gained at the GATT Tokyo Round recently prompted President Jimmy Carter and Mr. Roy Jenkins, EEC Commission President, *jointly to back fresh negotiations* on the issues in Brussels on February 18.

Mr. Reuben Askew, President Carter's special trade representative, will hold top level talks then with the commission. But senior British officials made it clear the UK sees little chance of a workable agreement being reached. Other EEC governments, however, are anxious to pursue consultations.

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Community ministers clear way for nuclear project

BY GILES MERRITT IN BRUSSELS

THE POLITICAL obstacles that have threatened the European Community's £900m nuclear fusion research programme, which includes a nuclear fision project, were clear away yesterday by the EEC Foreign Minister meeting in Brussels.

The four-year fusion programme, which aims to harness H-bomb reactions to the production of power, had been blocked by a dispute between Italy and France over the siting of another Community project: a study of major accidents at nuclear power stations.

Italy has insisted that the Super Sara project to investigate loss-of-coolant accidents conducted at Euratom's Ispra facility in Italy, should be backed by the EEC and threatened to withdraw from the fusion programme if Super Sara was not approved. At the mid-December Foreign Ministers' meeting here, France, in an attempt to gain support for its own loss-of-coolant project at Cadarache, withheld support for the new 1979-1983 fusion programme.

France yesterday tacitly withdrew its bid to secure the loss-of-coolant project, thus enabling the Council of Ministers to vote through the long-term fusion research work. The current focus of the nuclear fusion programme is on the Joint European Torus (JET), at Culham, Oxfordshire, and EEC Ministers have now approved the 150m European units of account (about £100m) funding needed for the initial JET experiment.

A further 200 EUA was approved for complementary work on fusion to be conducted in other EEC member states.

Dr. Guido Brunner, EEC Energy Commissioner, made it clear last night that he viewed the outcome of the ministerial talks as 'a major step forward in Community energy co-operation. In addition to removing the doubts that could have jeopardised the nuclear fusion programme, the meeting also gave its backing to Commission papers outlining a common position on nuclear waste, reprocessing and fast breeder technology.

Known in the Brussels jargon as the "trilogy," the three policy statements should enable a Community stance to be adopted at the International Nuclear Fuel Cycle Evaluation talks (INCFE), now being held in Vienna.

Warsaw Pact chief arrives in Sofia

By Paul Lendvai in Vienna

AMID YUGOSLAV public complaints about "relatively large-scale military manoeuvres in neighbouring countries," the Bulgarian news agency last night announced the arrival in Sofia of Soviet Marshal Victor Kulikov, commander-in-chief of the Warsaw Pact forces.

His arrival at the invitation of General Dobri Djourov Defence and politburo member, is likely to step up the war of nerves in the Balkans.

Only a few days ago, Admiral Branko Mamula, chief of staff of the Yugoslav armed forces, said that "some neighbours" had not given advance notice to Yugoslavia about "relatively large army exercises."

There has also been bitter public controversy in the past few weeks about alleged Bulgarian claims to Yugoslav Macedonia and the non-recognition of what the Yugoslavs regard as a large Macedonian minority in Bulgaria.

The visit to Belgrade of Mr. Petar Mladenov, the Bulgarian Foreign Minister, in the last week of January gave rise to considerable speculation. It is an open secret that the Yugoslav high command regards the 320-mile long joint border with Bulgaria as potentially the most vulnerable to Soviet pressure.

The Yugoslav Army itself recently organised well publicised exercises near Belgrade concentrating on anti-tank and anti-aircraft weapons. It is not known whether the Bulgarian manoeuvres near the Yugoslav border, mentioned by Admiral Mamula, have been completed. But Marshal Kulikov's visit is regarded with some concern in Belgrade. Neutral observers, however, point out that he last visited Bulgaria in April 1979 and that he makes routine periodic visits to all Warsaw Pact countries.

Tito improving

President Tito's general state of health is improving after the amputation of his left leg, and he is carrying out some of his regular duties, his doctors said yesterday, Reuter reports from Belgrade.

Western alliance regains its unity

BY ROBERT MAUTHNER IN PARIS

THE JOINT foreign policy declaration adopted by President Giscard d'Estaing of France and Herr Helmut Schmidt, the West German Chancellor, in Paris yesterday, should do much to heal the cracks which have appeared in the Western alliance since the Soviet invasion of Afghanistan.

It will certainly cause no joy in Moscow, whose hope of driving a wedge between the U.S. and Britain, the Western hardliners, and the European "doves," appears to have been dashed.

After the hesitations and double talk of the past few weeks, the French and West Germans are now on record with as sharp a condemnation of the Soviet Union as any that has been made since the beginning of the Afghan crisis. Moreover, the fact that the declaration was issued jointly by two major European powers, both of which have actively pursued East-West detente policies, will give it additional weight.

The Soviet Union has been told in the clearest terms that its invasion of Afghanistan is "unacceptable" and has been called upon to withdraw its troops "without delay." Only if this condition is fulfilled, will France and West Germany continue to work for East-West detente.

In other words, France and West Germany have told Moscow that it is up to the Soviet Union to make the first move. In the absence of a Soviet withdrawal from Afghanistan, they see no chance of further progress towards detente and, in particular, no point in pursuing international disarmament talks or the European security follow-up conference, due to be held in Madrid in the autumn.

The reaffirmation of French and West German loyalty to the Atlantic alliance will, no doubt, be welcomed in the U.S. and Britain. But what has particularly struck observers is the paragraph in the declaration which makes it clear that, in the event of another incident like the Soviet intervention in Afghanistan, France and West Germany would take military measures, in co-operation with their allies, to guarantee their security.

This statement is particularly significant in the context of the declaration that, in present circumstances, the European countries have a special role to play. The French and West Germans are saying that they are still prepared to try to make the Soviet Union see reason by peaceful and diplomatic means. But if Moscow provoked "another shock of the same order," a death blow would be given to detente and Paris and Bonn would have no choice but to withdraw into their own bloc.

The declaration itself mentions the need to prevent an extension of the East-West confrontation to the Third World. It is clear, therefore, that France and West Germany will make a special effort to strengthen relations between the European Community and non-aligned countries in an attempt to restrict the zones in which the super powers risk a head-on clash.

In the West German view, there should be a division of labour between the European countries, with each concentrating on areas in which it has traditional contacts or expertise.

The upshot of the joint Franco-German position is, therefore, that Europe should play a much more active world role in the hope that this will help prevent a major clash between the super-powers. But this does not alter the fact that the main onus has been put on the Soviet Union. The pessimistic conclusion of the declaration is that, failing a Soviet withdrawal from Afghanistan, a deterioration in East-West relations is inevitable.

Manager shot dead in Milan

TERRORIST gunmen yesterday shot dead Sig. Paolo Paoletti, manager of the Icmesa chemical company, operators of the Seveso plant which caused the dioxin pollution accident in July 1976, writes Rupert Cornwell in Rome. Sig. Paoletti was killed by four gunmen as he was leaving his home in Monza, near Milan, to go to work. Shortly afterwards responsibility was claimed by a spokesman purporting to be from the Front Line (Prima Linea) left-wing terrorist group, closely linked to the Red Brigades.

If this is so, the killing is the eighth in Italy so far this year by terrorists. It also appears to indicate a new tactic by the extremists, concentrating heir fire specificaly on "guilty" businessmen and industrialists. Only last week an executive at the Marghera plant near Venice of the Montedison chemical group was killed in an ambush believed to have been carried out by the Red Brigades.

Slower labour growth

The main Western industrial nations are likely to produce almost 67m more people of working age between 1975 and 1990, according to an OECD study, writes Terry Dodsworth in Paris. This suggests a slowdown in the growth of the potential labour force compared with the previous 15 years, when the population of working age grew by 79m.

Austrian oil deal

Saudi Arabia has agreed to supply Austria directly with 1.5m tonnes of oil a year, one-sixth of its requirement, according to Dr. Bruno Kreisky, the Austrian Chancellor, who has recently returned from Riyadh. He said details of the deal would be negotiated between the Saudis and the Austrian state oil company, Reuter reports from Vienna.

World output forecast

THE U.S., Canada and Western Europe can expect large falls in their share of total world production by the year 2000, according to an OECD forecast, writes Brij Khindaria in Davos. Mr. Wolfgang Michalski, head of OECD's planning unit, told a conference that North America's share should fall to about 20 per cent from 35 per cent, and Western Europe's to about 15 per cent from 20 per cent. Japan's share should rise from 6.5 per cent to 10 per cent.

Portuguese ban

Portugal's centre-right Government appears to have bowed to diplomatic and domestic pressure by barring a number of foreign extreme left-wing organisations from attending a locally organised meeting in Lisbon next weekend, writes Jimmy Burns in Lisbon. Among those banned are representatives of the Palestinian Liberation Organisation, Basque separatist groups linked to ETA, and the Algerian-backed Polisario Front.

EEC and Turkey revive association agreement

BY JOHN WYLES IN BRUSSELS

THE EEC and Turkey yesterday agreed to take their long-standing association agreement out of deep freeze in the hope that a steady thaw may eventually make possible Turkish membership of the Community.

Although this will almost certainly revive a number of negotiating headaches for the EEC, the move forms part of the Community's most evident response to international tensions generated by the Soviet invasion of Afghanistan. Essentially, the Community is trying to revive and develop old ties with strategically key countries, such as Turkey and Yugoslavia, and to seek new ones in vital areas such as the Gulf states.

Much hard bargaining with Turkey lies ahead. Among other things, the Community will be under pressure to satisfy Turkish demands for financial help, access to the Community's agricultural market, particularly for its citrus fruits, and for freer movement of Turkish labour within the EEC.

These are increasingly emerging as the problem areas stemming from the accession of Greece next January and negotiations under way with Spain and Portugal which are aiming for EEC membership in 1983.

The Community may be in no rush to reach agreement with Turkey. Nevertheless, yesterday's meeting of the EEC-Turkey Association Council agreed to convene again in April, in contrast to its dormancy during the last three years.

The task is to agree new timetables for the eventual achievement of a customs union between Turkey and the EEC of the kind envisaged in the Ankara accords of 1963, the Community's first association agreement with a non-member.

Apart from the initiative launched yesterday, Turkey has apparently made two important political gains. The joint communique stressed unequivocally that eventual Turkish membership of the EEC was one of the goals envisaged by the Ankara agreement, and it added that the enlargement of the Community would not affect its relations with Turkey and the rights guaranteed by the Ankara agreement and subsequent protocols.

While this does not remove Greece's right to veto a Turkish membership application. Greece's membership agreement involves its acceptance of declarations of this kind.

Swedish study backs manufacturing abroad

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

INVESTMENT IN manufacturing abroad by Swedish multinaturals is vindicated in a new study* by the Stockholm Industrial Institute for Economic and Social Research.

Its results "remove at least some of the stated reasons" for the restraints imposed by present Swedish foreign-exchange regulations on the free movement of investment capital.

The study, published in English, examines the argument advanced mainly by unions that foreign production by national companies replaces exports and threatens production and employment at home.

The author, Ms. Birgitta Swedenborg, has used census data covering all Swedish manufacturing companies which had foreign affiliates in 1965, 1970 and 1974, to examine the motives prompting companies to start producing abroad and the effects of foregin production on home trade and employment. The study is claimed to be the first of its kind outside the U.S.

One main conclusion is that manufacturing abroad has a "very small, positive effect" on a company's exports to countries where it has production subsidiaries.

On average, the effect is "probably not larger than 6 cents for every dollar increase in foreign production, and it may be closer to zero."

The study found a "highly significant" positive effect on the export from Sweden of goods which complemented companies' foreign manufacturing. There was also a negative effect on exports which did not complement the foreign production, but this was smaller.

The results indicated that without manufacturing abroad the Swedish companies would have lost the markets involved. The benefits to the companies' general competitiveness could not be measured, but were judged quite important in the longer run.

* *Multinational Operations of Swedish firms. Birgitta Swedenborg. Industrial Institute for Economic and Social Research.*

North German Radio compromise bid fails

BY JONATHAN CARR IN BONN

POLITICAL EFFORTS to reach a compromise over reorganising one of West Germany's regional radio networks have collapsed, casting doubts over the future of the West German broadcasting system.

Political leaders in Lower Saxony, Hamburg and Schleswig Holstein have for months been seeking agreement on the future of North German Radio (NDR)—the network so far run jointly from these three provincial states.

Yesterday they admitted failure. Lower Saxony and Schleswig Holstein—both run by Christian Democrat Governments—will now try to go ahead with plans to form their own network.

Prime Ministers of both states say they will sign an agreement this week and introduce the necessary legislation.

But Hamburg—run by the Social Democrats—has bitterly criticised the decision which, they say, will result in excessive political influence on programming. It hopes that court-action may still preserve NDR in its present form, at least for a time.

The Christian Democrat states have long felt that NDR—one of nine regional networks—has tended to lean too far to the political left. But Lower Saxony has also been urging the introduction of private radio stations to encourage broadcasting competition—something which Hamburg does not accept.

Many West Germans feel that private radio stations could be the beginning of the end for the present broadcasting system. They say this system—run through public-sector bodies wholly responsible neither to government nor private interests—has proved its worth, and should not be changed.

Fears for NDR's future have already brought a strong reaction from broadcasting employees. Last December, members of the radio, film and television union, RFFU, voted overwhelmingly in favour of a strike

Islam's muted call to prayer on the steppes of Soviet Asia

There are only 500 mosques in the Soviet union which has a Moslem population of 50m. Only two schools train Moslem clergy and the Koran was last printed in 1972 in an edition of 20,000 copies. David Satter reports following a recent visit to Soviet Central Asia.

THE SOVIET UNION, with a Moslem population of approximately 50m, is one of the most important Islamic countries in the world, but the situation differs greatly for believers from that in neighbouring Afghanistan.

No call to prayer drifts out daily over the cities of the Caucasus or Soviet Central Asia. From the wrought iron balconies and oil derricks of Baku to the oasis towns of Turkmenia and the tea houses and high-rise housing blocks of Dushanbe and Tashkent, life in the 3,000 mile arc where Soviet Moslems live is modern and secular.

Most of the people in the Soviet Islamic republics — Azerbaijanis, Turkmens, Tadjiks and Uzbeks — represent only part of Islamic national groups, the other part of which lives across the closed border in Iran and Afghanistan.

The narrow streets which lead to the central mosques in Tashkent and Dushanbe are filled with crowds on Moslem holy days just as in other Islamic countries, but few attend prayers daily. The old, one-storey mud and clay houses near the mosques are less characteristic of the provincial capitals than the factories pouring smoke into the air, pillared government buildings and shaded parkways.

The Soviet Union has now sent large numbers of Turkmen, Tadjik and Uzbek troops into Afghanistan but these soldiers, residents of a modern society and similar physically to many Afghans, may strike the Afghans as spiritless and alien.

Moscow will probably not move against Islam in Afghanistan with the same ruthlessness with which it attacked it in the Caucasus and Soviet Central Asia, but the experience of Central Asia suggests that the alternative to destroying completely the traditional Afghan social structure may be the indefinite occupation of the country by Soviet troops.

There was a determination that Central Asia be transformed into a constituent part of the Soviet Union and Soviet nationalities policy has always assumed that national diversity and its manifestations — language, theatre, music—would only cease to pose a threat to central domination once the essence of a national culture was destroyed.

The success in bringing Central Asia into the 20th centry helped win popular support but did not signal an end to pressure on Islam. The far reaching social changes were made in the name om Marxism-Leninism, the ideology of the unified Soviet state, and although Islam was not outlawed, conditions were created to assure that observance would steadily decline.

There are only 500 mosques in the Soviet Union today, compared to an estimated 25,000 before the Revolution. There are only two schools for training Moslem clergy and the Koran was last printed in 1972 in an edition of 20,000 copies. The pilgrimage to Mecca is a virtual impossibility for the ordinary believer since only 25-30 people a year are allowed to make the trip.

In Central Asia, this process began in the 1920s when the Bolsheviks moved in to break up societies whose social structures were based on Islam. They employed intensive anti-religious propaganda, gave equal rights to women and divided feudal estates.

The result was the bloody Basmatchi revolt, which was believed to have been no less violent than the Russian civil war and was only suppressed after 10 years. At one time, the Basmatchis, who had the support of the entire rural Moslem population, fielded an army of thousands of men.

The defeat of the Basmatchis was followed by the collectivisation of agriculture and the destruction of thousands of mosques. The new society was integrated economically with the rest of the Soviet Union and began to progress. Irrigation helped cotton production which increased tenfold. Improved medical care extended life expectancy from 32 to 72 and literacy became universal, where before the Revolution only 2 per cent could read.

Moslem religious instruction, as with other types in the Soviet Union, is severely circumscribed and believers are barred from membership of the Communist party which means they have no possibility of achieving a responsible position in society.

These practical restrictions are complemented by an ideological assault in the Press and schools, which promotes atheism and the Marxist-Leninist outlook. It equates Islam with hostility to science and gives it credit for the poverty, cruelty and backwardness of Central Asia in the years before Soviet rule.

The authorities tolerate a Moslem religious hierarchy, which organises conferences for Islamic guests, but Moslem leaders appear to do little to counter this ideological pressure. They told me that, in their view, official propaganda was directed mainly against harmful customs such as self-flagellation, the rites surrounding circumcision and kalim, or bridal payments.

Mr. Alashukur Pashaev, the deputy director of the Moslem religious Board of the Caucasus, said in Baku that he saw relations between the Moslem religion and the state as based on the principle of non-interference. "The Government carries out atheistic propaganda in the schools, offices and factory and we carry out our religious propaganda in the mosque," he said.

Mr. Atadjan Abdulaif, head of a mosque in Talhatan Baba, a rural centre in Turkmenia, said in Ashkhabad (there are now no mosques in Ashkhabad, a city of 300,000 itself) that it was logical that religious observance was declining because society was becoming more advanced. "No shepherd wants to lose his flock," he said, "but we consider the peace loving activities of the state more important than religion."

In most respects the goal of destroying Central Asia's religious heritage and integrating it into the Soviet state appears to have been achieved. The region is modern and prosperous. Residents of the cities live in typical Soviet high rise housing blocks and the tempo of their lives is determined far more by factory shifts and the bus and metro than by the need to appear for morning prayers.

There have been anti-Russian incidents in Central Asia, including a riot between Russians and Tadjiks in Dushanbe on May Day, 1978, but in general there is an absence of overt anti-Russian feeling.

People in Central Asia are aware that their standard of living is much higher than in nearby Moslem countries, and although the possibility of contamination by the Moslem revival may be a long term consideration for Soviet security, the invasion of Afghanistan was undoubtedly not taken to ward off this threat but to prevent the downfall of a Soviet-backed regime.

The tendency is to assume that Soviet Islam will gradually lose any significance in Soviet society as the older believers who still go to the mosques die off and young people fail to take their place. French expert Alexandre Bennigsen has argued that the present Moslem religious authority, by preserving a very high standard of religious education in the medressehs which do exist, has despite its compromises, guaranteed the "purity and integrity of Islam at its peak."

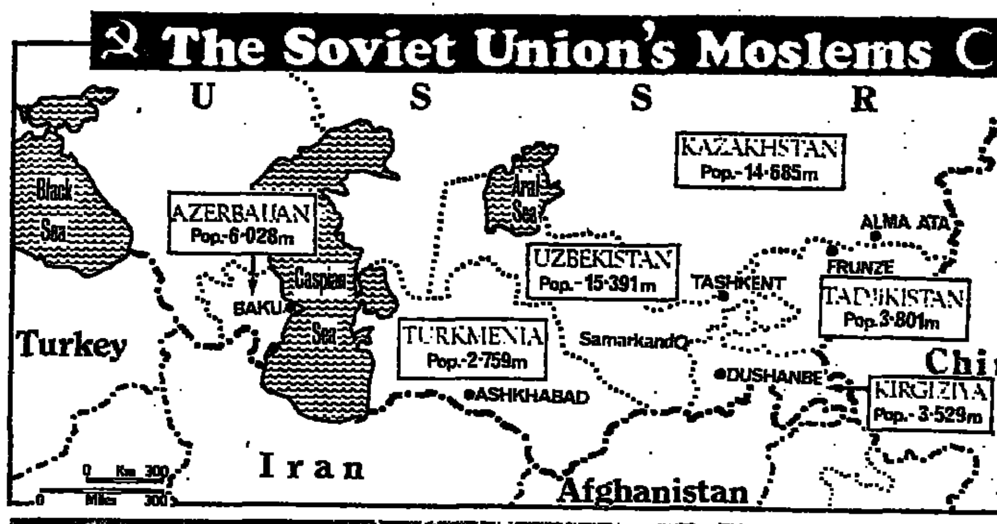
An important parallel development is believed to be unofficial Islam. Secret Sufi brotherhoods perform religious rites throughout the Soviet Moslem areas, run clandestine religious schools where Arabic is taught and have their own clandestine mosques which are more numerous than official mosques, particularly in the north Caucasus.

To the number of Sufi adepts, which have been estimated in various areas to be in the hundreds of thousands, could eventually be added the many Soviet Moslems who pray in their homes, as people do in Ashkhabad.

The material benefits of Soviet rule have been real but they only come at the cost of a radical historical break with the previous culture. Mrs. Galina Kozlovsky, the widow of Alexei Kozlovsky, a Soviet composer who incorporated Uzbek folk themes in his music, said in Tashkent where she has lived for 40 years, that residual loyalty to the Moslem religion and Moslem traditions exists in Central Asia. This has been superseded, however, by formal allegiance to Marxism-Leninism, normally demonstrated in the mechanical repetition of ideological slogans. What prevails in this confused ideoloigical situation is not belief but the acquisitive mentality of the bazaar.

If Islam is kept alive under Soviet circumstances, the possibility of it someday finding its own cultural voice and emerging as a threat to Soviet internal security cannot be ruled out. Soviet Moslems are increasing in number four times as fast as Great Russians. By the turn of the century, they may number 100m as against 150m Russians.

The Soviet authorities must operate with the knowledge that however secure the situation may seem now, they cannot be confident of total control over their country on the basis of Marxism-Leninism in the long run without total control over Islam as well.




A Tashkent market: the acquisitive mentality of the bazaar prevails in a confused ideological situation.

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France recalls envoy after embassy sacking

BY DAVID WHITE IN PARIS

FRANCE HAS recalled its ambassador and all diplomatic staff from Libya, after a mob set fire to its embassy in Tripoli on Monday. Another group of demonstrators also protesting at French military aid to Tunisia wrecked the French consulate in Benghazi later the same day, it was announced yesterday.

Consular staff in Benghazi, in Eastern Libya, fled before the demonstrators ransacked the offices, accordin gto the French Foreign Ministry.

While all 10 French diplomatic staff are being withdrawn, French consular staff will remain in Libya. Parallel cuts have been demanded at the Libyan embassy in Paris.

France has protested vigorously about the "inadmissible behaviour of the Libyan authorities" in failing to protect the embassy.

The attacks, which follow the arson at the U.S. embassy in Tripoli late last year, were in protest against France's support for the Tunisian Government in response to the attack 10 days ago on the central Tunisian town of Gafsa.

M. Yvon Bourges, the French Defence Minister, denied there had been French intervention. He said France had simply given logistical support in the form of two transport aircraft and two unarmed helicopters. The sending of French warships to the region was described as an ordinary manoeuvre.

In Tunis, the French embassy was under heavy guard as Tunisian and Libyan radio stations engaged in a war of mutual recriminations. Radio Tripoli accused France of intervening to suppress what it called a "popular revolution" in Tunisia, of "invasion," and of trying to restore a French protectorate.

After Tunisian Government charges that Libya sent the rebel commando group to Gafsa, Radio Tunis attacked "the bloodthirsty madman in Tripoli"—referring to Col. Moammar Gaddafy.

Libya's relations with its neighbour and with France have reached their worst point since Col. Gaddafy's accession to power. Franco-Libyan relations have been up and down in recent years, with different policies on the Western Sahara conflict and on the former French colonies of Chad and the Central African Republic, to which France has sent troops.

France has supplied Libya over the past 10 years with Mirage aircraft, helicopters and missile-carrying fast patrol boats. But France has suspended deliveries of certain types of arms which Libya is thought to want to send to the Polisario guerrillas fighting Morocco in the Western Sahara.

India tries to resolve crisis in Afghanistan

By K. K. Sharma in New Delhi

THE INDIAN Government has begun consulting neighbouring countries in an attempt to lay the basis for an Indian and possibly regional initiative to resolve the Afghanistan crisis.

As Mr. R. D. Sathe, India's Foreign Secretary, began talks with his counterpart in Islamabad yesterday, it was also announced in New Delhi that similar consultations are to be held with other neighbours.

Special emissaries are being sent to Sri Lanka, Bangladesh and Nepal to discuss a possible regional response to the Afghanistan crisis, especially in the context of the renewal of the cold war and the rearming of Pakistan by the West.

The consultations follow talks with the major powers, notably the U.S. and Russia, and with countries like Britain and France. The nature of the initiative will be known when the emissaries return from their visits to the neighbouring countries.

Agencies add: Mr. S. K. Singh, a former Indian Ambassador to Afghanistan, will fly to Kabul today for talks with Afghan leaders. He will return on Sunday, two days before Mr. Andrei Gromyko, the Soviet Foreign Minister, is due to arrive for a three-day visit.

In Kabul, about 100 shops were burned down early last Sunday in what might have been an attempt to cover up looting by Soviet troops, Western diplomats reports yesterday.

But they said it was unlikely that rebels were behind the incident because it occurred after the start of the 11 pm curfew, when the city is heavily patrolled by Russian troops and armoured vehicles.

Fears over Syrian withdrawal plan

BY OUR FOREIGN STAFF

SYRIA APPEARS determined to withdraw its troops from the dividend city of Beirut in a move which signals an important change in policy and has reawakened fears of a resumption of the Lebanese civil war.

President Hafez Assad of Syria said yesterday that he hoped that the "regrouping operation," as he called it, would not "create any difficulties." This was a clear attempt to allay fears that the vacuum created by a Syrian withdrawal in key areas of Beirut would provoke renewed fighting between the Lebanese Christian faction and the local alliance of Moslems and Palestinians.

The Syrian leader, speaking at the end of two days of urgent consultations with Lebanese Government leaders in Damascus, added that Syria did not wish to see its troops "playing the role of police in the streets." He went on: "We want only to be a deterrent force."

An imminent Syrian withdrawal — or even a significant redeployment — would represent a major shift away from the policy of trying directly to control the fighting between the two sides. A direct policing role by Syria's 24,000 troops in the Lebanon has been a fundamental pillar of President Assad's regional policy since 1976.

President Assad has been under increasing pressure both at home and abroad. There has been a steadily increasing number of political assassinations of senior members of his ruling Ba'ath party and of Soviet military advisers in Syria.

On the international front President Assad's attempts to forge an effective front to counter the bilateral peace treaty between Egypt and Israel have met with little success, driving him into a closer alliance with Moscow.

These new moves must also be seen in the broader context of deteriorating relations between Syria and the United States, which orginally welcomed President Assad's decision to send troops into Lebanon.

Increased tensions in the Lebanon must complicate U.S. attempts to persuade Israel to agree to negotiations on the basis of greater Palestinian representation.

One reason for the proposed troop withdrawal must be the effect which Syria's involvement in the Lebanon is having on morale and efficiency within the army. This role is also diverting the attention of Syria's armed forces from what is seen as the main opponent —Israel.

Another factor behind the redeployment, according to Mr. Abdel Halim Khaddam, the Syrian Foreign Minister, is the fear that Israel may be planning a "surprise attack" against it. Mr. Khaddam said in an interview with the left-wing daily al-Safir that Israel had used eastern Lebanon as an air corridor for its fighter jets to attack Damascus during the 1967 and 1973 wars. "We will not allow this to happen again," he said.

Israel, on the other hand, contends that there has been a significant build-up of Syrian troops in Lebanon but discounts reports that a clash is imminent.

Damascus remains irrevocably opposed to the Camp David peace treaty and has indicated that it will not help Washington's attempts to secure a wider settlement in the Middle East.

The Syrian Government, according to Mr. Khaddam, was co-ordinating its policies, including a Syrian withdrawal from Beirut, with the Soviet Union.

Korea talks begin in Panmunjom

By Ron Richardson in Seoul

DELEGATIONS from South and North Korea will meet at the border village of Panmunjom, today to try to arrange a meeting between their respective Prime Ministers.

The meeting would be the first between the two governments since the Korean War ended in 1953.

The South Korean delegates, led by Mr. Kim Young-choo, a career diplomat, were not optimistic that much progress would be made. But it was pointed out that conflicting signals had been received from the north in letters to various Southern politicians calling for dialogue, in the unprecedented suggestion by the North that the two Prime Ministers should meet, and in the naming by the North of Mr. Hyun Jun-kuk, an experienced diplomat, to head its delegation.

Government representatives here feel that the North's suggestion that Mr. Lee Jong-ok, the North Korean Prime Minister, should meet Mr. Shin Hyon-Hwack, his Southern counterpart, may be an attempt by Pyongyang to exploit what it sees as political uncertainty in the South after the assassination of President Park Chung-hee

The initiative for the latest contact came from the North on January 12, when it took up a year-old offer by Seoul to meet "responsible authorities" from Pyongyang "at any time, at any place, and at any level."

The North has also called for simultaneous talks in a "pan-national congress" to include hundreds of delegates from all walks of life in North and South Korea. This proposal has previously been rejected by the south as being an unofficial propaganda forum.

Rhodesia 'holds 1,800 political detainees'

BY BRIDGET BLOOM IN SALISBURY

THE NUMBER of detainees held under martial law regulations in Rhodesia has declined by about 3,000 since the arrival of Lord Soames, the British Governor, in December. It is understood there are now just over 1,800 people held under the regulations, which were introduced in 1978 and are still in force over most of the country.

Last month a report by Amnesty International, the London-based human rights organisation, said there were at least 5,000 detainees. After the visit by two senior Amnesty officials, the organisation reported that "up to 6,000 convicted political prisoners" were believed still to be in detention, many of them convicted by the martial law courts which have now been suspended.

Neither British nor Rhodesian officials have ever confirmed this number, and while prisoners are also still acknowledged to be held under the emergency powers and maintenance of law and order regulations, no figures are given.

All that is officially known is that 81 political prisoners, many of them nationalist officials, have been released by Lord Soames over the past few weeks. They were held under ministerial order and officials say no more are detained under this category.

The reason advanced for the decline in the number of martial law detainees is that until recently there had been a general improvement in security in rural areas.

However, Amnesty International, the International Red Cross and such bodies as Defence and Aid have been refused access to prisoners held under martial law. It is not clear whether arrests are continuing to be made under the martial law regulations or only under the emergency powers which were renewed last month.

According to some reports, of the 1,800 now held under martial law, some 600 are former armed supporters of the Rev. Ndabaningi Sithole's party, ZANU. These are the equivalent of Bishop Muzorewa's much-criticised auxiliaries, who are now formally part of the Rhodesian army. Rev. Sithole's troops were disarmed and arrested by the Rhodesians last year.

Mark Webster reports from Lagos: The withdrawal of South African troops from Rhodesia had answered the major commonwealth criticism of the British administration in Salisbury, Mr. Shridath Ramphal, the Commonwealth Secretary General said here yesterday.

Adopting a far more conciliatory stance than he has done in the past over the British role in Rhodesia, Mr. Ramphal said that the remaining departures from the Lancaster House agreement were balanced out by the progress which had been made.

Mr. Ramphal was speaking in Lagos on a trip to meet the new civilian administration. He said the Nigerian Government, like many other Commonwealth Governments, had felt a "deep sense of outrage" at the presence of South African troops to guard the Beit Bridge road and rail links between Rhodesia and South Africa.

Saudi leaders and U.S. agree on Soviet threat

RIYADH — Mr. Zbigniew Brzezinski, the U.S. national security adviser, and Saudi Arabian leaders agreed yesterday in their appraisals of the threat posed to the Gulf region by the Soviet invasion of Afghanistan, a U.S. official announced.

The official, reading from an official U.S. statement on the talks, said Mr. Brzezinski and Saudi Arabian leaders also agreed on the significance of the "continuing instability caused by the Arab-Israeli dispute and the Palestinian problem . . . in the light of its effect upon over-all Middle East peace and security."

The statement was issue after two days of talks Mr. Brzezinski held in Riyadh with Crown Fahd and Prince Saud al-Faisal, the Foreign Minister.

"There was a consensus of views expressed with regard to the subject of broad strategic concern in the region, particularly the Soviet action in Afghanistan and their threat to the security of the region," the U.S. statement said.

Diplomats in the Saudi capital said the Kingdom was expected to fund a major portion of U.S. military aid being offered to Pakistan.

Mr. Brzezinski visited Pakistan before arriving in Riyadh on Monday. While in Islamabad, Mr. Brzezinski indicated that the U.S. would provide aid to Pakistan beyond the proposed $400m package.

AP

Mrs. Indira Gandhi: getting stronger

Six pipelines severed by explosion in S. Iran

TEHRAN — An explosion in southern Iran cut six oil and gas pipelines on Monday night and started a fire which was put out early yesterday, the state radio reported.

Quoting officials in the area, the radio said the pipes affected were a 16-inch line taking liquid gas to Mahshar, a 12-inch line taking natural gas to the Abadan refinery, and four small oil pipes.

Experts had begun repairing the damage, which would not affect production, the radio said.

Meanwhile in Washington the American television network NBC said yesterday that Mr. Andrew Young, the former U.S. Ambassador to the United Nations, would travel privately to Tehran from Beirut with officials of the Palestine Liberation Organisation (PLO).

The network, quoting unnamed sources, said that in Tehran Mr. Young would meet representatives of Ayatollah Khomeini and the militants holding 50 hotages at the U.S. embassy.

No date for the visit was given, and Mr. Young was quoted as saying he would be travelling in an unofficial capacity. A spokesman for the State Department said he had no information that Mr. Young was travelling on behalf of the State Department.

A group of French lawyers has arrived in Tehran on an unpublicised visit to discuss setting up an international commission of inquiry into the alleged crimes of the ex-Shah.

Foreign Ministry officials confirmed that they had met the lawyers to talk over a proposal by Dr. Kurt Waldheim, the UN Secretary General, for an international inquiry, but they gave no details.

Reuter

Inquiry into relatives of ex-PMs

By Our New Delhi Correspondent

CHARGES OF corruption against relatives of two former Indian Prime Ministers, Mr. Morarji Desai and Mr. Charan Singh, need further investigation, according to the judge to whom they were referred.

A summary of his report, which establishes a prima facie case, was presented to Parliament's Upper House (Rajya Sabha) yesterday.

The charges were referred to the judge, Mr. Vaidialingam, when Mr. Desai was Prime Minister. Mr. Charan Singh and Mr. Desai had both alleged that the other's relations were guilty of corruption and had misused their positions. The two were then political rivals.

The judge has found that Mr. Desai's son, Mr. Kantilal Desai, and Mr. Charan Singh's wife, Mrs. Gyatri Devi, used their positions and "extra-constitutional power" to influence decisions by officials.

This strengthens the position of Mrs. Indira Gandhi, the Prime Minister, who has faced similar charges in the past.

U.S. hints at new 'flexibility' on human rights

BY DAVID BUCHAN IN WASHINGTON

AFRICA and Latin America have in general shown a sharper awareness of human rights violations in the past year, according to the State Department's annual report, which laments the lack of a similar interest in human rights by regional organisations in Asia.

The Administration's sweeping, 854-page survey bears heavily on Afghanistan—described as a land of repression, torture and fear—while lauding Pakistan for its efforts to cope with some 500,000 refugees from Afghanistan.

The Soviet Union, not surprisingly, comes in for the sharpest criticism for its "massive violation of Afghanistan's sovereignty" by moving in 80,000 troops and overthrowing the Kabul Government. The State Department review repeats reports that "the Soviets may be employing lethal chemical agents as well as incendiary devices to suppress the Afghan resistance."

The Soviet Union itself, for the first time, figures in one of these annual reports, instituted by President Jimmy Carter. It notes that some human rights violations, such as torture and physical abuse of prisoners as a means of obtaining confessions, have become less prevalent in the Soviet Union in recent years, but there may be still as many as 10,000 Soviet political prisoners.

Until this year, the reports only covered countries receiving U.S. financial aid or arms. This year it was broadened to include all United Nations members, bringing the number of countries reviewed from 105 last year to 154 this year.

The report, however, hints at a more flexible use of possible U.S. sanctions against countries considered to have abrogated citizens' rights. Such sanctions include, the report says, cutting off aid, "frank discussions with foreign officials, meetings with victims of human rights abuses, and where private diplomacy is unavailing or unavailable, public statements of concern."

Human rights concerns "must be balanced with other fundamental interests," the report says, noting that the American reaction must take into account a country's history, culture, and "current political environment."

The Carter Administration has, on occasion, been criticised at home for reacting clumsily to human rights violations elsewhere.

The improvement in Africa is partly due to the disappearance in 1979 of despotic regimes in Uganda, the Central African Empire and Equatorial Guinea, and greater interest in the issue of human rights by the Organisation of African Unity, as also in the case of the Organisation of American States, of which the U.S. is a member.

The report attempts no league table of offenders, but comments that Kampuchea sits at the bottom. "For the individual Khmer in 1979, the fundamental right of survival was threatened," it said.

Gold sale raises $172m for Canada

By Victor Mackie in Ottawa

THE CANADIAN Government has sold U.S.$172.5m (£75.5m) worth of its gold holdings on the private market, the first such sale in a decade. The measure was taken to reduce dependence on the metal as an asset in official reserves.

The Finance Department disclosed the sale of 250,000 ounces of gold, at an average price of U.S.$690 an ounce, which will help the Government repay C$300m (£113.3m) of a C$5.5bn line of credit from Canadian and foreign banks to support the Canadian dollar over the last year.

The gold sale is part of a plan, announced in the Budget last December, to sell up to 1m ounces of the Government's gold holding of 22m ounces to lower the proportion of gold in the country's official reserves.

In the past the Government has sold gold to other countries or the Canadian Mint, but not to private dealers. The sale is in keeping with a 1975 agreement among members of the International Monetary Fund to remove gold from its once-central role in international currency markets.

Gold still accounts for more than 80 per cent of total Canadian reserves — which besides gold includes U.S. and foreign currency and Special Drawing Rights.

"The proportion is still very lopsided," a Finance Department official said on Tuesday.

When the Government announced its intention in December to reduce its gold holdings the metal was worth less than US$400 an ounce. It closed yesterday in London at US$685.50 an ounce.

Italian frigates bartered for Iraqi oil

BY PAUL BETTS IN ROME

A £664M DEAL involving the sale of Italian naval vessels to Iraq, confirmed in Rome yesterday, is expected to include additional sales of oil by Iraq to Italy in payment for the 11 vessels, to be built by the Italian State-controlled shipbuilding group, Cantieri Navali Riuniti.

The deal, confirmed by Sig. Adolfo Sarti, the Italian Defence Minister, coincides with an appeal to Italian industry by Sig. Gaetano Stammati, the Italian Foreign Trade Minister, to increase Italian exports of technology and equipment to oil producing countries in barter deals to help guarantee Italy with sufficient oil supplies.

The Iraqi order is understood to involve the supply of four 2,500 ton "Lupo" frigates, six 650 tonne Corvettes and a "Stromboli" support vessel. The 11 ships are to be built at Cantieri Navali Riuniti's shipyards at La Spezia and Riva Trigoso.

The ships are exected to be mounted with weapons built by another State controlled group, Oto Melara, and with electronic and mechanical equipment constructed by other Italian concerns including Selenta, Elsag, Elettronica, Elmer, Grandi Motori of Trieste and Fiat.

Also envisaged is construction by Italian companies of land increasing success of Italy in training of Iraqi navy personnel in the use of the Italian ships.

The agreement confirms the incrasing sucess oef Italy in exporting light naval vessels. Cantieri Navali Riuniti has recently won a series of important orders for the supply of frigates and corvettes to Venezuela, Peru, Libya and Ecuador. China is now also understood to be interested in the purchase of a number of Italian light naval vessels.

Meanwhile, Sig. Stammati reaffirmed in an Italian newspaper yesterday the need for Italy to increase exports of technology to Middle East oil-producing countries in return for oil barter deals to ensure Italy has adequate oil supplies in coming years. The Italian Government, he said, would boost its political initiatives in these oil-producing countries to support Italian exporters.

Italy's oil import bill increased by between $2bn and $2.5bn between 1978 and 1979 to more than $10bn last year. The country's overall oil bill is expected to increase further to $17bn this year.

At the same time, Italy, which depends on imported oil for about 75 per cent of its overall annual energy requirements, also faces an 8m tonnes shortfall in oil supplies this year. This is a little over 8 per cent of the country's overall oil import requirements of some 104m tonnes for 1980.

Moreover, the Italian Foreign Trade Minister said Italy lost export competitiveness last year over its European competitors as Italian export prices last year rose by an average of 19 per cent compared to an average increase of 13 per cent in other industrialised countries.

Sig. Stammati said Italy's overall trade deficit in cif terms totalled L3,017bn last year, while in fob terms the trade balance broke even compared to a fob surplus of L2,500bn in 1978.

However, Italian exports in real terms increased by 9 per cent last year compared to a real increase of 7 per cent in overall world trade, Sig. Stammati said.

But Italy's trade outlook this year was increasingly uncertain because of the general contraction in world trade and Italy's steep underlying rate of inflation now running at annual rate of about 20 per cent.

Sig. Stammati added that Italy's overall balance of payments showed a surplus of L1,700bn last year compared to a surplus of L7,000bn in 1978.

But the balance of payments current account showed a substantial surplus of between L5,000bn and L5,500bn last year. This current account surplus, however, is effectively lower than the estimated increase in the country's oil import bill this year.

Meanwhile, the State aerospace group, Aeritalia, has won orders worth L25bn for the supply of components for the second "Spacelab." Aeritalia is to provide, among other components, the structure of the Spacelab module, the company said yesterday.

U.S. textile threat seen by Germany

By Roger Boyes in Bonn

LEADING WEST GERMAN textile industrialists warned yesterday that the U.S. could be preparing for an export offensive on the German market and urged the Bonn Government to fight against under-priced imports.

Herr Wilhelm Hardt, president of the West German Textile Federation, stressed that the country's manufacturers were not pressing for protectionist measures from Bonn—rather, free market principles should be the guiding principle. But the European Commission was bending this principle to the benefit of German competitors such as France. Bonn, he urged, should act against this before the trend towards preferential treatment swept further.

Speakers at the annual meeting of the Textile Federation identified two other prospective threats to the German textile industry in the 1980s. In the first place, the U.S. seemed poised for an attack on the European market, aided by the price competitiveness of the weak dollar. Hourly production costs in the U.S. were now some two thirds of those in Germany.

The textile manufacturers also spoke out against the preferential duties that the EEC was planning to allocate to Third World countries. There were, it was argued, some highly competitive Third World textile manufacturers and these should not be given preferential treatment.

The speeches tapped some of the more elemental fears within the German textile industry. Large resources have been devoted in the clothing sector to switching production to German-run factories in southern Europe where production costs are lower. These efforts could be undermined if there is an onslaught of cheap imports from the developing countries or indeed from the U.S.

Japan 'frustrated' by UK car limits

BY JOHN GRIFFITHS

THE JAPANESE Automobile Manufacturers' Association, which in talks in Mexico last week agreed to hold vehicle exports to the UK at a "prudent" level this year, is to have a further meeting with Britain's Society of Motor Manufacturers and Traders later in the year.

While no formal agenda has been agreed for the talks, they are certain to centre on Japanese frustration at holding down their share of the UK market to about 10 per cent for the fifth year running.

While it has been normal practice to hold a mid-year JAMA-SMMT meeting, there were clear signs at last week's talks in Acapulco that the Japanese manufacturers' patience over the "voluntary" restrictions—designed originally to give BL some scope for recovery—is wearing thin. The Japanese claim that, rather than helping BL, the agreement has merely opened Britain's door to European imports.

Under the agreement with JAMA, Japanese car sales to the UK would actually fall this year if SMMT predictions of a fall in UK new car sales this year from last year's record 1.71m to just over 1.45m is borne out.

Some SMMT members felt after last week's talks that not all of JAMA's 11 members might comply with the agreement.

AP-DJ reports from Tokyo: Japan's two largest automakers yesterday denied claims that they have been dumping their cars in the U.S.

They were responding to allegations made by Mr. David Roderick, chairman of U.S. Steel, that a survey comparing wholesale prices in eight U.S. cities and Tokyo showed that the Japanese manufacturers have been marketing their cars in the U.S. at unfairly low prices.

Toyota Motor Sales, the marketing arm of Japan's largest automaker, said it was difficult to compare the prices in the two countries because of additional costs involved in exporting automobiles. A company official said Toyota has never in the past dumped its cars in the U.S.

Nissan said: "We frankly can not understand on what basis Mr. Roderick made such charges," adding that Nissan does not market the same models in the U.S. as it does in Japan, and has never sold automobiles in the U.S. at unreasonably low prices.

Rescue hopes for Rock Island routes

BY IAN HARGREAVES IN NEW YORK

THREE-QUARTERS of the services now operated by the bankrupt Rock Island Railroad Company look like being saved from closure when bids are opened for the disposal of the once-famous railway's assets.

The U.S. Department of Transportation, which is organising the bids and thereby presiding over what will be the first major railroad company liquidation in the history of the U.S. railway system, has so far received 17 separate bids for pieces of the Rock Island and another financially collapsed railroad, whose liquidation has not so far been proposed, the Chicago, Milwaukee, St. Paul and Pacific Railroad (the Milwaukee).

The bids are the final stage of a long and laborious process which, in the case of the Rock Island, dates back five years. That period has been seen as a series of attempts to save the railroads as separate entities by various interested parties, including employee and regional interest groups.

But the Carter Administration and its semi-independent agency, the Interstate Commerce Commission, is taking a tougher line with the latest financial casualties in an attempt to reduce excess capacity in the national railway system.

The Transportation Department said that the bids so far would ensure the survival of 65 per cent of the track mileage and 88 per cent of the freight traffic of the Rock Island Railroad and 77 per cent and 96 per cent of mileage traffic of the Milwaukee. Part of the Milwaukee will continue to be operated by a core trustee group.

Most of the major railroad companies in the Midwest and Southwest are involved in the bidding as part of the power struggle now taking place through a series of proposed mergers to reshape the U.S. railway network.

Phosphate exports to be curbed

By David Lascelles in New York

IN THE latest of a series of new controls on U.S. trade with the Soviet Union, the Commerce Department announced yesterday that it will require licences for the export of phosphate and phosphate products to Russia.

However, no new licences will be issued until a review of U.S. export policy to the Soviet Union is completed, probably in a week or two.

The Commerce Department commented that yesterday's ruling does not necessarily mean that phosphates will be included in any U.S. embargo of products to the Soviet Union. The move had been made to enable the Department to monitor exports better until the review is complete, a spokesman said.

The order mainly affects Occidental Petroleum, hte large Californian oil company which has an agreement with the Russians to export phosphates in return for ammonia products.

Buoyant year for French chemicals

BY TERRY DODSWORTH IN PARIS

THE FRENCH chemicals industry boosted exports and its trading balance last year. It also showed marked advances in productivity and an overall 8 per cent increase in output.

According to preliminary figures from the industry's trade body, turnover of the French chemical companies should amount this year to between Frs 135bn (£14.46bn), and Frs 140bn (£15bn) compared with Frs 112bn (£12bn) in 1978. Of this, exports are expected to account for almost Frs 50bn (£5.35bn) worth of sales.

Although figures for last year have not been finally verified, the trends in the last 11 months show a clear continuation of the rapid increase in the industry's favourable trade balance.

During the period, exports rose to FFr 44.7bn (against Fr 34bn in the first 11 months of 1978) and imports to FFr 34.7bn (Fr 27.6bn), thus leaving a trading surplus of almost FFr 10bn against FFr 6.4bn in the previous year.

These figures show that for the third year running France has stepped up its chemical exports much faster than imports.

The industry is now coming close to its long-cherished target of getting into equilibrium on its business with the rest of the EEC countries. Last year its deficit on this business in the first 11 months dropped to FFr 652m following a 38 per cent increase in exports to FFr 24bn.

The biggest surpluses last year were in perfumes and essences (FFr 3.6bn) and pharmaceuticals (FFr 2.3bn), both sectors in which there has been considerable reorganisation during the last year.

First EEC-sponsored mission arrives in Tokyo

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE FIRST EEC-sponsored trade mission ever to visit a foreign market started work in Tokyo this week. The mission consists of 25 exporters of processed food products from eight European countries.

These were selected from 170 companies which applied for inclusion in the mission after seminars on the opportunities for food exports in Japan had been held throughout the EEC. Another 50 companies from the processed food industry will be visiting Japan in two more EEC-sponsored missions before the end of March.

The EEC Commission was successful in obtaining a budget for export promotion to Japan in its 1979 fiscal year. The budget, worth 600,000 European Units of Account ($880,000), was used to conduct market surveys and seminars on sales opportunities in selected markets. TV will also cover two-thirds of the costs of businessmen visiting Japan.

Processed foods were chosen as the first industry to be promoted in view of the fact that 12 per cent of European exports to Japan are in this sector.

China computer assembly venture

TOKYO — Sord Computer System is to start assembling computers in China later this year, becoming the first Japanese company to make such a move. A Sord spokesman said his company has reached a basic agreement with the city of Tienchin to undertake a joint project. The final contract will be signed in April.

Sord will ship part sto China and will assemble small computers, to be used in measuring equipment or business process machines. AP-DJ

Herrera, Chadli discuss OPEC aid

BY KIM FUAD IN ALGIERS

PRESIDENT Luis Herrera Campins, the Venezuelan leader, flies to Libya today on the second leg of a 10-day tour of seven oil exporting countries, following talks in Algiers yesterday with President Chadli Ben Jedid of Algeria.

Dr. Herrera is trying to rally support among members of the Organisation of Petroleum Exporting Countries (OPEC) for a $20bn permanent development agency. Mr. Humberto Calderon Berti, Venezuelan Energy Minister, said yesterday, Dr. Herrera believes support for the proposed agency from OPEC heads of state will clear the way for its rapid establishment.

Venezuela and Algeria jointly proposed the development agency during the OPEC ministers conference in Caracas in December, using the organisation's existing special fund as the basis for a permanent institution.

Dr. Herrera's talks yesterday with President Chadli also covered Venezuela's position regarding the Palestinian problem.

Venezuela's Arab associates in OPEC have been urging the South American producer to recognise the Palestine Liberation Organisation and allow the PLO to establish an office in Caracas.

Dr. Herrera endorsed the Camp David peace agreements between Israel and Egypt last year and is expected to outline Venezuela's position regarding the Palestinian issue during the tour.

Venezuela recognises the right of the Palestinians to a homeland and supports the return of territories occupied by Israel in return for Arab recognition of Israel's right to exist.

Dr. Herrera is also to visit Abu Dhabi, Qatar, Kuwait, Saudi Arabia and Iraq during the tour.

Volvo move in Singapore

By John Walker in Stockholm

The assembly of Volvo cars in Singapore will be curtained as from August 1, the Swedish-based company said yesterday. The Singapore Government has imposed a 45 per cent duty on imported car components. There is no duty at present.

A Volvo official also said that the rate of assembly was less than 1,000 vehicles a year, and, when the stock of components ran out the company in Singapore would import fully assembled vehicles, which carry a duty amounting to 45 per cent.

Government procurement

BY BRIJ KHINDARIA IN GENEVA

TOKYO ROUND CODES

THE GOVERNMENT Procurement Code is one of the most significant to emerge from the Tokyo Round in terms of actually liberalising trade.

Governments and public enterprises around the world buy some $30bn (£13m) of goods and services each year. However, the lion's shares of these purchases has in the past been earmarked for domestic suppliers, closing off lucrative markets to foreign exporters. The new code—when it comes into force in January 1981—will provide a broad framework establishing equality of treatment for foreign and national suppliers for the first time.

The code does not cover all areas of government and public sector purchasing, and there are major exceptions, such as defence.

The areas opened up in each country are being negotiated on a bilateral basis and this has already led to disputes—mainly between the U.S. and Japan, which refuses to open its telecommunications buying to foreign suppliers. But there are other areas of difference. Some members of the EEC, for instance, are not prepared to open up all their telecommunications, energy and transport purchasing while the U.S. also excludes railway equipment purchasing.

There were few major problems during the early negotiations for the code.

But problems cropped up after agreement was reached last year on the code's main provisions. At the centre of the current argument is the list of entities submitted by the three large trading partners the EEC, Japan and the U.S.

Both the Community and the U.S. are dissatisfied with Japan's list and have threatened to withdraw some enterprises included in their own lists if Japan digs in its heels. The problem in Japan is its system of collaboration between government and private enterprise which results in companies that are neither public nor private.

Japan argues that purchases by such semi-private companies cannot be seen as government procurement. The Americans have protested loudly because Japan's main buyer of telecommunications equipment is such an enterprise.

Another problem is that the traditional practice of earmarking certain government purchases for domestic producers has led to the creation of standards and specifications in each country which differ enough from those of foreign products to make the potential foreign goods unsuitable.

Japan is using this argument to keep certain enterprises out of its list. To the West the stand sounds suspiciously like a veiled attempt to perpetuate a technical barrier to trades. But given that the code will not be implemented for another year there is still time to both resolve this dispute and perhaps broaden the scope of the code in general.

The code covers purchase of products worth more than 150,000 Special Drawing Rights ($195,000). Services are covered only to the extent that they are necessary to the product concerned and do not cost more than the product itself.

New York finds self-love can be a profitable pursuit

BY IAN HARGREAVES IN NEW YORK

WHEN Gen. Fidel Castro left New York last October after his monumental address to the United Nations, he had with him, in addition to a strengthened image as spokesman for the world's non-aligned countries, a white T-shirt bearing the worlds "I Love New York."

Quite how the Cuban President came by this piece of tourist kitsch is uncertain, but he allowed himself to be photographed holding the garment with a municipally amorous expression behind his beard.

Someone else, as the picture testifies, took the same message to the "democracy wall" in Peking. British television viewers will shortly be hearing a musical version of the theme in a joint British Airways-New York tourism drive, which will be launched at the Albert Hall tomorrow with Carol Channing, Yul Brynner, the Rockettes and Metropolitan Opera stars due to appear.

There may not be much to the song—indeed there is only one line, the same line which Gen. Castro can now wear across his chest—but the advertising campaign has taken on something of the status of a legend.

As with all legends, there is some disagreement as to who actually created the slogan in 1977, as New York sought ways of both boosting its own morale and bolstering its bank balance in the wage of the fiscal crisis which very nearly plunged it into bankruptcy.

It is said that even Mr. Hugh Carey, Governor of New York State, has been known over dinner to claim the original inspiration. The truth is that the synergy, to use the kind of word that New Yorkers like, occurred somewhere between the state's Department of Commerce and the Wells, Rich, Greene advertising agency.

Whoever dreamed it up, the cunning decision was taken not to register the logo, with the result that it has been plagiarised by anyone and everyone who sees a profit in selling on the name of the city, whether it is a made-in-Korea mug, a campaign to clean up the streets (I Love New York Incorporated), a baseball team or a politician.

As well as being ubiquitous, the campaign claims great commercial success. The State Department of Commerce has figures to show that its tourism promotions with the campaign in the last two years have increased its tax revenue by $170m in return for promotional expenditure of $25m—a seven-to-one rate of return.

Moreover, says Ms Natel Matschulat, Senior Deputy Commissioner for Commerce, the plan dramatically to expand a portion of the New York economy which did not require heavy capital investment has paid off at a deeper and more significant level. Tourism, expected to generate around $7bn in spending this year, is now the state's second most important industry after retailing.

Just under half of this sum will be spent in New York City, much of it by foreign visitors. The rest will go on outdoor-style holidays in the mountainous and wooded inland of New York State or on its 127 miles of beach. Ms Matschulat is hoping that the British campaign will increase the number of UK visitors from 1.5m to 2m

The ubiquitous "I Love New York" sign has appeared even on Peking's "democracy wall"

this year. Britain is already the number one source of foreign tourists to the state.

Broadway draws 30 per cent of its audiences from visitors and this year expects to sell more than 10m tickets, a record not far from double the miserable 6.8m sales in 1974-75 when even New Yorkers, consumed with the city's image of violence and decay, were unwilling to take to the streets late at night and theatre starting times were brought forward as a result.

It was soon after this that the scale of the city's financial problems came into focus. The New York Daily News summarised the White House's initial response to the city's begging bowl with the headline: "Ford to New York—Drop Dead."

New York didn't drop dead. In the end $1.65bn in loan guarantees were pumped in to see the city through to 1982. But New Yorkers responded with an aggressive stream of self-proclamation, of which the "I Love New York" campaign has become the symbol.

This abandonment of the city's traditional pose of sophisticated disregard for the opinions of others is seen by some inhabitants as bad taste of Las Vegas proportions. But the majority seem to look back on the fiscal crisis as a kind of wartime period in which people got to know each other, when businessmen who had never thought about their roles as New Yorkers became active community leaders, when a thousand block associations were formed to plant trees or increase security and when the city discovered that it could create a new image of itself as successfully as the bad one of muggings, filth and financial profligacy.

Some of this, of course, has just been good salesmanship. New York City's crime rate has continued to grow alarmingly. The city still has the country's highest robbery rate and last year saw a record 1,747 murders.

Meanwhile Mayor Edward Koch, the former Greenwich Village Democrat who has the sticky task of returning the city to financial self-sufficiency before the federal aid runs out, has just proposed higher taxes and spending cuts of over $750m in the next two years. Sceptics say that even these are pipedream figures, based as they are on a presumed wages deal with municipal workers of 4 per cent this year.

These measures, and many previous rounds of cuts, compounded by inefficiency, mean that New York is still getting dirtier. The city has one-fifth the number of street sweepers it had in 1973. Should you get ill, it has fewer hospitals. Should you want to send your child to a free school, the advice in Manhattan is: "Don't." The collapsed Westway Road is still in ruins. Most other roads have sections which could usefully serve as bear traps. The poor, it is almost certainly true to say, are getting poorer.

هكذا من الأصل

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New building work inquiries fall sharply

BY ANDREW TAYLOR

INQUIRIES for new building work have dropped more sharply than at any time since the mid-1970s recession in the building industry.

The latest National Federation of Building Trades Employers state of trade survey indicates a significant downturn in construction activity in the second half of this year.

Of the 600 companies surveyed, 45 per cent said inquiries for new work had fallen over the past three months. Only 16 per cent reported an increase.

This is almost a complete reversal of the picture last September when just over 30 per cent of companies reported a rising trend in inquiries, with 25 per cent reporting a decline.

The most depressing aspect for the industry has been the recent decline within the private industrial and commercial sector which, along with repair and maintenance, was one of the few consistent growth areas for construction last year.

About 40 per cent of private industrial and commercial builders reported a decline in new work inquiries against less than 20 per cent reporting increases.

Even repair and maintenance has moved into decline, although it is less marked than in other sectors.

According to the joint forecasting committee of the Building and Civil Engineering Economic Development Committees, UK construction output is estimated to have fallen by 3 per cent last year. This compares with a 7 per cent increase in 1978.

The committee are forecasting a further 3 per cent decline in all output in the current year. Output last year was valued at £11.58bn at 1975 prices.

The number of companies reporting work at full or almost full capacity has declined steadily since June last year when almost 55 per cent of those reportin gto the federation said their resources were fully utilised.

In the January survey, less than 45 per cent said they were working at full or almost full capacity. Companies' success in tendering and negotiating for new work has also shown a downward shift, although rather less sharp than that experienced in the rate of new inquiries, said the federation.

Societies defend role

BY MICHAEL CASSELL

BRITAIN'S poor industrial performance cannot be attributed to any excessive deployment of financial resources into the housing market, according to the Building Societies Association.

In its latest quarterly bulletin the BSA says that until recently it was fashionable to argue that Britain was very badly housed, that there was a desperate need for more resources to be allocated to housing.

Recently however the argument had been reversed. It was now often suggested that too much finance was being allocated to housing, to the detriment of the nation's overall economic performance.

The building societies themselves have come in for particular criticism on grounds that resources invested in housing have not promoted new construction but simply financed purchase-and-sale of existing properties. At the same time, the societies have been accused of absorbing too great a share of the nation's savings.

According to the BSA building society activity in particular and housing activity in general has far less important implications for the economy generally than many critics suggest.

The BSA claims that there is no connection between movements in the savings ratio and in the volume of funds attracted by societies, and says that it is therefore apparent that "there is no direct connection between the level of activity in the housing market and the volume of personal saving," and that "mortgage-lending by building societies does not necessarily absorb personal-sector saving that might otherwise be available to finance more productive investment."

The BSA says that real resources in the economy are used only in the construction of new houses and in improvements, and that the proportion of Gross Domestic Product accounted for by investment in dwellings is lower than in most other advanced industrial countries, and has been declining.

"It therefore seems reasonable to conclude that Britain's poor industrial performance generally cannot be attributed to the excessive devotion of real resources to housing in recent years."

Glass bells and walking sticks make £9,353

SALEROOM

BY ANTONY THORNCROFT

THE KIMPTON collection of glass bells and walking sticks sold for £9,353 at Christie's, South Kensington, yesterday. The top price of £310 was paid for a bell made of amethyst glass and 13¼ inches high.

A pair of amethyst glass bells of not quite the same quality made £140, as did a pair of blue glass rapiers. All the items were made in the UK in the 19th century and later.

Although the main auction rooms were quiet yesterday, there were sales in the subsidiary outlets. Sotheby's Belgravia sold Victorian pictures for £37,974, with 3.6 per cent bought in.

Both the prices and number of lots sold in these routine sales suggest an improvement over the pre-Christmas period. The top price was the £1,350 from Eddington, a Kentish dealer, for a pair of Highland scenes by John Mogford. "On the Tees," by William Mellor sold for £950.

The value of antique exports from the UK last year fell by 4 per cent to £123m, according to Department of Trade statistics. Imports during 1979 were 17 per cent down at £62.4m.

However, exports of fine art (including paintings and sculpture of any age) were 13 per cent higher at £147.4m, while fine art imports were valued at £201.5m. Thus the overall picture is of exports totalling £271m, roughly in balance with imports of £264m.

Gloomy spending forecast

By David Churchill, Consumer Affairs Correspondent

A GLOOMY forecast of consumer spending in the shops has been presented to the Chancellor by the Retail Consortium in its annual pre-Budget submission.

The consortium, which represents the bulk of Britain's retailers, says that retail sales will be depressed in the first three months of this year. It adds that "any improvement in volume later in the year must depend on increases in average earnings emerging at a higher level than the Government will tolerate."

The consortium also warns that the "combination of depressed volume and rising costs can only mean that retailers will be cutting back on their labour force."

In their detailed submission, the consortium urges the Chancellor not to scrap the present stock relief scheme. It says that if this were to be withdrawn, without adequate warning, the effect on the level and range of stocks "would be extremely serious."

The consortium, however, is pressing for retailers to receive the same capital allowances on new buildings as are granted to manufacturing industry and the hotel industry.

And the consortium argues that the rate of VAT should stay at 15 per cent. "Any increase would have serious effects on volume, which is already under pressure."

Shell court move over Salem cargo

BY JOHN MOORE

SHELL has instituted legal proceedings in South Africa against parties who took delivery of a cargo of 193,132 tons of crude oil discharged from the Very Large Crude Carrier Salem after an unscheduled stop. The tanker later sank off the west coast of Africa in mysterious circumstances.

The Salem, 213,928 dwt, was bound from Kuwait to France with a cargo of crude oil, insured for $56.3m, which Shell had bought in mid-voyage from a Swiss company, Pontoil.

The 1969-built ship, bought by the Oxford Shipping Company and registered in Liberia with an office in Texas a month before it sank, went down after a series of explosions on January 17.

A Tunisian crew member has alleged that the bulk of the oil was discharged at Durban after an unscheduled stop and replaced with sea water so that the ship would appear fully loaded.

Shell has already sued the Oxford Shipping Company for compensation — which is expected to defend the action.

Shell said yesterday its latest proceedings were "against who we think are the receivers of the crude."

Because of South Africa's touch secrecy laws regarding oil supplies Shell has not yet named the parties against whom action has been taken.

Numerons investigations are in progress and the UK police has completed preliminary investigation this week and passed a report to the office of the Director of Public Prosecutions.

Shell has been trying to unravel the relationship of Oxford Shipping with Shipomex, a company which uses an accommodation address in Switzerland. Police and insurance investogators have been looking into the owenrship of Shipomex.

Oxford Shipping chartered the Salem to Shipomex shortly after it bought the vessel.

Lloyd's underwriters have been preparing to resist an $18m claim on the hull insurance and lawyers for the cargo underwriters have been carrying out an investigation into the circumstances surrounding the claim for $56.3m from the disappearance of the oil.

BCal seeks 16% Scottish link rise

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH Caledonian Airways has asked the Civil Aviation Authority for permission to raise its fare between London (Gatwick) and Glasgow/Edinburgh by over 16 per cent, from £42 single to £49.

This is a bigger increase than the 12 per cent rise, from £42 to £47, sought by British Airways for its London (Heathrow)-Glasgow and Edinburgh Shuttle fare.

BCal's fares plans were revealed yesterday in a further batch of applications for increases sent to the CAA, following last week's application by British Airways for substantial increases from April 1.

The other airlines seeking increases from that date include Loganair, Haywards Aviation, Aurigny Air Services and Jersey European Airways, while British Midland Airways wants increases from March 1. The average rise sought is about 12.5 per cent.

In all cases, the reason for the increases now sought is given as dearer fuel and other charges, including higher landing fees.

Earlier this year, many of the UK and foreign airlines protested to Mr. John Nott, Secretary for Trade, at what they regard as unreasonable increases in these and other charges to be imposed this year by both the British Airports Authority and the CAA.

Among the increases in fares now sought, is that of £3 single to £26 in the Heathrow-Birmingham fare charged by British Midland, and a rise of £6 to £35 single for the Gatwick-Manchester BCal route.

U.S. navy contract bid

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AEROSPACE and McDonnell Douglas of the U.S. have put in a joint bid for a new U.S. Navy trainer aircraft contract that could involve over 300 aircraft, and be worth over $5bn (over £2.2bn) including training costs over several years.

The programme, called VTX-TS, calls for a complete package of training systems, including not only a new aircraft, but also pilot training, support for the winning aircraft in service over a period of nearly 20 years, and provision of associated equipment and spares.

The British Aerospace-McDonnell Douglas team is submitting two designs. One is a modified version of the BAe Hawk trainer already used by the RAF, the other a new McDonnell Douglas aircraft. If either design wins, both companies will be involved in its production.

The Franco-German (Dassault-Breguet and Dornier) Alpha-Jet aircraft is being offered in conjunction with Lockheed of the U.S. New designs are also being submitted by General Dynamics, Northrop (in conjunction with Vought), Grumman (in conjunction with Beech) and by Rockwell International.

Meriden wins court battle

THE MERIDEN motorcycle co-operative yesterday won a High Court battle in London over the amount it has to pay for the right to manufacture Triumph machines.

Norton Villiers Triumph Motorcycles had claimed that the co-operative — Triumph Motorcycles (Meriden)—should have paid it £55,447—1 per cent of the co-operative's sales—of which only £26,614 had been paid.

But Mr. Justice Lloyd ruled that, under agreements between the companies, the co-operative had to pay less than half a per cent of the sale prices of the machines.

Towns threatened

COALMINING proposals threaten 25 towns and villages, Mr. Kenneth Baldwin, an assistant director of Leicestershire County Council's planning department, yesterday told the inquiry into the National Coal Board's Vale of Belvoir proposals.

Sugar hope

BRITISH SUGAR CORPORATION scientists are to study the possibility of making a fuel from sugar beet. The work will be carried out in New Zealand next month and the corporation hopes to produce an alcohol known as Fuel Ethanol which can be mixed with petrol.

Ship purchase

BEN LINE the Edinburgh Shipping group, has completed an £8m purchase of the oil drill ship Fredericksburg from the Houston-based drilling company Atwood Oceanics. The purchase confirms Ben Line as the largest European drilling contractor.

Parcel post up

THE POST OFFICE'S Royal Mail inland parcels service is forecast to carry an extra 10m parcels this year and increase its profits. The Post Office says the figures suggest that total inland parcels postings will exceed 170m for the financial year ending March, the highest figure for five years.

Water charge

THE NORTH WEST Water Authority was accused of not fully considering how the proposed Ennerdale scheme would affect tourism, livestock, farming, local people and the landscape, at the Lakes inquiry at Whitehaven yesterday.

The accusation came from the National Trust, represented by Mr. Ian Whelan, who said that there were many questions on which the authority had not given exact or complete answers.

Clothing industry wins back some chain store custom

BY RHYS DAVID

CLOTHING manufacturers have made limited progress in winning chain store custom away from importers following the setting-up of a forum bringing together top retailers, manufacturers and the unions. The forum is under the auspices of the National Economic Development Office.

In a progress report published ahead of today's National Economic Development council meeting, British Home Stores, J. Hepworth, Littlewoods and Owen Owen are listed among the retail groups where British suppliers have secured new orders as a result of discussions in the joint forum.

The report warns, however, that efforts are still needed in retail and manufacturing organisations to reverse the trend to increasingly high imports.

The project was launched last year to reverse the trend for major retailers such as the chain stores going to low-cost countries with large volume orders for merchandise enjoying fairly predictable demand. This trend has left UK manufacturers with an increasing share of their business in the supply of awkward or short lead time retail requirements, or repeats.

As a result, the UK clothing industry, which employs nearly 300,000 people, has seen its share of the domestic market fall from 79 per cent in 1975 to 72 per cent in 1978. In some sectors, such as shirts, its share is well below half.

Though the industry doubled its exports between 1974 and 1978, the loss of domestic market share, coupled with high exchange rates, is now seen as a possible threat to export performance.

At meetings of the 25-man panel retailers indicate likely merchandise requirements and problems. This information is passed on to garment and textile manufacturers so approaches can be made to store groups. The panel concentrates on five major clothing categories—knitted shirts, jerseys and pullovers, trousers and jeans, blouses, and men's and boys' woven shirts.

The report says as a result of the panel's work, UK capacity has been increased in two areas where import substitution possibilities have been indicated—jeans and blouses. A number of small firms are trying to form a consortium to supply children's knitwear.

In two other areas—adult blouses and children's jeans—possible UK suppliers had been given short shift by certain major retailers when approached for talks.

The forum was never intended to replace the important discussions about future retail requirements which already take place between most major retailers and their key UK suppliers. The aim was to supplement them, the report says.

"In view of the effective support given to overseas competitors strong measures need to be taken if the UK industries are to survive as major suppliers.

"The country needs to ask itself what would happen to the price and variety of garments, to employment and to the balance of payments, if only 10 per cent, instead of 72 per cent, of home demand were to be supplied domestically."

Electronic goods 'need stricter import curbs'

BY JOHN LLOYD

STRICTER controls over the imports of consumer electronic products, at both UK and European levels, are called for today by a National Economic Development Council working party.

In its latest progress report, the electronic consumer goods sector working party says "For the next four years at least the industry needs a respite from low wage cost competition from the Far East while it reorganises itself."

It proposes continuing and extending voluntary restraint agreements with Japan, Korea, Singapore and Taiwan. But it also believes that UK action is not enough, pointing out that products from these countries are often re-exported from Eire and West Germany.

It urges a joint approach to plug such loopholes, and to persuade Far Eastern countries that the European Commission is likely to impose legal barriers if voluntary agreements are not reached.

"A joint approach will be difficult to reach, because of the differing industrial problems and the extent of European ownership of Far Eastern manufacturing facilities. Any agreement would have to be both joint and several, to stop shortfalls in one country being made up in another."

The report stresses the need both for higher-quality standards, especially in components, and for new products, particularly in the developing home entertainment/information sector.

It suggests that the Japanese companies, which are active in television production in the UK, should be encouraged to invest in the components industry—a clear hint that the UK should be considered as a location for semiconductor plants.

The report acknowledges that some progress has been made in the industry, both in rationalisation of colour TV production, and in improvement of design and quality control. But it stresses that employment in the sector has continued to fall, from 50,000 workers in June, 1978, to 45,000 in June, 1979.

On home entertainment/information products, the report urges both investment in the telecommunications network required to support new systems, and increased production of terminal equipment.

HOW THE SAFETY-THREAT COULD HIT STEEL WORKERS

Path to smaller industry and fewer jobs

BY ROY HODSON

THE WITHDRAWAL by strikers of safety cover from British Steel Corporation plants could pave the way for a smaller nationalised steel industry employing fewer people.

If blast furnaces and coke ovens are allowed to go cold and electric furnaces are not manned on a round-the-clock basis some of the corporation's biggest and most expensive production units will be seriously damaged. At best repairs would take months in most cases and the bigger blast furnaces could be out of action for more than a year.

A steelworks can be compared with a living creature when it is working. It is fed regularly with raw materials. A proportion of its output—hot metal and gases—continually recirculates through the works, providing the life-blood to keep all sections functioning

The hot gases provide the single most important component in keeping a works in good condition.

Gases are generated from the batteries of coke ovens which are continuously alight, converting coal into coke. In turn the gases are used to help the blast furnaces process themselves. The coke and iron ore charge are fed into the top of the furnace and the hot blast gases are blown in at the bottom.

The charge slowly moves down the body of the furnace until molten iron can be tapped from the bottom. The blast furnaces and the coke ovens are highly inter-dependent for gas and coke. Both sets of equipment must be kept hot.

Meanwhile the blast gases are piped throughout the works to provide heat to other processes. Without its properly balanced coke oven and furnace gas supplies, a steelworks dies.

Should the strikers allow coke ovens and blast furnaces to go cold at any of the big integrated works — Teesside, Ravenscraig, Scunthorpe, and South Wales—the sequence of events will be as follows: As the gas balance falls below minimum levels ancillary services and re-heat furnaces in the works will be cut off.

There will no longer be sufficient gas to sustain the blast furnace "cooking process" and the furnace will cool rapidly.

The inner walls of coke ovens and blast furnaces are made up of linings of ceramic bricks. Those linings are supported by the weight of the burning furnace charges. When cold the charges will shrink and the linings will collapse inwards.

The biggest single investment made by British Steel has been the Teesside iron-making site. It has expensive ore preparation facilities and a terminal for ore carriers so that cheap imported ore can be processed and fed into one of Europe's biggest blast furnaces—with a capacity of 10,000 tonnes a day. That furnace makes some of the cheapest iron in the world.

The cheap iron has been obtained at Teesside only by exploiting to the full the economies of scale. The furnace—still being run-in when the strike started—is the centrepiece of a £400m investment.

If it is allowed to go cold, together with its huge banks of coke ovens, British Steel estimates that it will be well into 1981 before the cheap iron can again flow properly. And the cost of re-lining would run into millions of pounds.

British Steel would be robbed of the cheap iron on which its competitiveness is now based and the effective production capacity of the corporation would be reduced by about 20 per cent.

If other, smaller, blast furnaces at the major steelmaking centres go cold, production will also be seriously affected. But in those cases the long-term threat will be to jobs.

The BSC board, faced with bills for re-lining, and at the same time trying to rationalise British Steel into a more productive unit, is virtually certain to decide against rebuilding some of the furnaces. Scunthorpe and the South Wales plants would be likely to lose some or all of their iron and steelmaking for good.

Machine tool exhibition hopes are dampened by stoppage

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

A PROTRACTED steel strike could prove very embarrassing to the British machine tool industry, currently preparing for its largest ever exhibition, to be held in Birmingham in the spring.

Mr. John Halbert, president of the Machine Tool Trades Association, which is sponsoring the exhibition, Mach 80, emphasised yesterday that the steel strike will not affect the tools to be displayed at Birmingham.

But if the strike lasts another couple of months, it could affect the delivery dates exhibitors quote to potential customers attending the exhibition. The industry buys mostly from stockholders, and currently has stocks which will be adequate for the next month or so.

Challenge

The value of machine tools on show at the exhibition will exceed £100m, about half from the British industry and the rest from foreign manufacturers. The industry has spent about £10m on promoting the exhibition. Many of the machine tools on show will be of the advanced technology type, new designs to be launched at Mach 80.

The British machine tool industry is, said Mr. Halbert, responding to the challenge of new technology, investing now to take advantage of the upturn expected in 1982. The countries and companies which respond now, he added, will be the ones that enjoy success and prosperity in the latter half of the 1980s.

Ban would put ceramic brick industry at risk

BY MAURICE SAMUELSON

THE REMOVAL of safety cover from the British Steel Corporation's plants would have far-reaching effects on the refractories industry, which supplies the ceramic brick linings for coke ovens and blastfurnaces.

If the plants go cold their linings will collapse and need replacing. That might take 12 months and the refractories industry would be kept busy.

But it would be a short-lived boom. Since several of the steelworks would probably not be recommissioned, the refractories industry would have far more to lose than to gain in the long run.

The British Steel Corporation is its chief customer, accounting for £120m of its £200m annual turnover. Since the strike started, the industry has managed to avoid large-scale layoffs among its 4,000 workforce. It did so by anticipating the strike and rushing supplies to the corporation before Christmas.

Since then it has been concentrating on exports. Even so most of the leading companies have put some of their workers on short time, and expect the situation will deteriorate further next week.

The four leading companies are G. R. Stein, with plants in Sheffield and Scotland; Steetley Refractories; the Dyson Group; and Thomas Marshall (Locksley).

هكذا من الاصل

GIVE A DOG A BAD NAME

Not very long ago we were all proud to be British.

And it showed.

We took genuine pride in a way of life that made us the envy of the world.

"Made in Britain" really meant something. People in far-flung corners of the globe knew that if they bought British they were buying the best.

What has changed?

Very little.

We all still basically care for our country and what it stands for. In many areas our technology, our manufacturing skills and the products we make with them still lead the world.

What has changed is our own belief in ourselves.

Suddenly it has become clever to knock the British way of life.

And to knock the products we make.

It has become fashionable to buy foreign made goods. And to look down on home produced products as somehow inferior. Just because they are made in Britain.

The concept of an international market, where nations trade freely, without hiding behind protective tariff barriers is a noble one.

But no-one else seems to play the game quite as freely as we do.

Too few of us realise that each time we buy a foreign product, we're not just sending currency abroad. We're giving a better lifestyle to the person who made it.

And worse, we're taking employment away from the British worker who could have made it.

Of course there can be valid reasons for buying imported goods. Britain no longer produces certain products.

Whole industries have died, sometimes for good reason. But at other times we seem just to have talked ourselves into believing there is no place for them in Britain!

We still have a motor industry.

But this defeatist attitude is threatening its very existence.

As Britain's only British owned volume car maker, BL directly or indirectly supports some 2 million people.

And unlike Britain's other volume manufacturers, practically all the cars BL sells here are made in Britain.

It has a heavy investment of public money, the fruits of which are now beginning to come through.

The new Mini Metro and the Leyland T45 Truck are just two examples of many exciting new products coming from BL this year.

BL certainly has a tremendous amount to gain from a positive shift in attitude towards the British buying British.

But the problem doesn't just concern BL, or even the motor industry. It hurts us all.

And the longer we go on building an artificial inferior image for ourselves and our products, the more damage we will do.

Our request is simply that you stop thinking that British products are inferior without taking a proper look at them.

Next time you are looking to buy *anything*, but especially a motor car, see how the British made product stacks up.

If then it doesn't suit you, we'll be surprised. But we'll have no complaint.

ISSUED MAINLY IN THE INTERESTS OF BL BUT ALSO ON BEHALF OF BRITISH MANUFACTURING INDUSTRY.

UK NEWS

Property 'best pension base'

BY ERIC SHORT

POPERTY-BASED funds provided the best average return for pension scheme investments last year, according to the latest survey on pooled pension funds by Wyatt Harris Graham, the employee benefit consultants.

These funds rose in value by an average of 22.6 per cent last year—well ahead of the 18.3 per cent rise in average earnings and the 17.4 per cent increase in the retail price index—reflecting the steady rise in capital values and rental income.

The survey covers all exempt funds offered by various financial institutions—life companies, merchant banks, unit and investment trust groups. These operate on a unitised basis, with the pension schemes making their investment by buying and selling units in the various funds.

Equity funds' performance last year varied. G.T. Pensions, a small equity fund, rose in value by nearly 60 per cent, while Henderson Japan dropped 27 per cent. On average, performance there was a 7 per cent rise, which not only failed to match inflation, but lagged behind the 10.5 per cent increase in the FT Actuaries All-Share Index.

Japanese and other international equity funds had a poor year in 1979.

Fixed interest funds last year also recorded a dull performance with an average rise of 4 per cent. The top fund, managed by London Life, had a 19 per cent increase.

Pension schemes can leave decisions on the amounts to be invested in the various media to the institutions by investing in mixed funds. But last year these funds saw an average rise of only 9 per cent. Even the top fund, Globe (Royal), managed by Royal Insurance, achieved an increase of only 15 per cent. Overall, the poor performances are a cause of concern to pension schemes where benefits are linked to final salary. Unless pension scheme asset values rise at least in line with salaries over the long term, employers have to make good the deficiency.

PENSION FUND PERFORMANCE

Fund	Gain %
Equity	
Top G.T. Pensions	+57.5
Average	+ 6.9
Bottom Henderson Japan	−27.0
FT-All Share	+10.5
Property	
Top Confederated Life	+40.5
Average	+22.6
Bottom Pennine Property	+12.9
Fixed-Interest	
London Life	+19.0
-	+ 4.0
Tyndall Managed	− 0.3
FT-All Stocks	+ 4.8
Mixed Funds	
Globe (Royal)	+14.9
	+ 9.0
Welfare Life	− 0.6

Retail Price Index +17.4 per cent
National Average Earnings +18.3 per cent

Stronger role urged for institutional investors

BY CHRISTINE MOIR

INSTITUTIONAL INVESTORS "must discharge their responsibilities as shareholders" or a vacuum will be formed which will be filled by other interests, Mr. Peter Moody, chief investment manager of the Prudential Corporation, said yesterday.

The joint stock company in Britain offered a real role to shareholders — the opportunity to choose able management—Mr. Moody told members of the Insurance Institute of London.

Institutions could perform that role by regular and direct contact with companies both at the junior, analyst level, and at the most senior level, where fund managers should offer a constructive input to the board.

The contact should remain informal, because any kind of formal system would increase the chance of government interference.

On the other hand, the institutions should press for all major public companies to include at least three non-executive directors on their boards. They should try to achieve this by "peaceful persuasion," but, if necessary, by "public pressure."

Mr. Moody said non-executive directors were a valuable addition to any board, but were especially important when a company was in trouble.

Remedial action by shareholders which could restore the company made only slow progress when the board consisted exclusively of executive directors.

Budget plea

THE National Council for the Single Woman and her Dependants yesterday urged the Chancellor of the Exchequer to increase in his Budget the tax allowance given to people caring for an elderly relative or widowed mother.

House insurance rates increased by 20%

BY ERIC SHORT

MILLIONS of householders face substantial increases in the cost of insuring their homes as three more major insurance companies — Commercial Union, Guardian Royal Exchange and Royal Insurance—announce a 20 per cent rise in premium rates.

The rise, from £1.25 to £1.50 per £1,000 sum assured, follows increases of the same amount made in the past three months by other leading insurance companies — Sun Alliance, Eagle Star, General Accident and Phoenix Assurance.

The CU, with 500,000 household policyholders, will make the change on March 1. Royal, the second largest UK household insurer with 2m policyholders, will follow on April 1. GRE will increase its rates on May 1, except for its combined building and contents plan.

Only the Prudential, Legal and General and Norwich Union of the major insurance companies have not yet increased their building insurance rates. It is almost certain that none of them will be able to avoid making similar rate increases this year.

Royal is also making it compulsory for policyholders automatically to index-link the sum insured on household policies. This means the rebuilding value of the house will rise in line with rebuilding costs. If the policyholder refuses to index-link, the company will impose an underinsurance clause.

The CU is imposing automatic index-linking for new policyholders, but existing ones still have the choice and no underinsurance clause will be added.

Unit trust launched by Lloyds

BY TIM DICKSON

LLOYDS BANK yesterday announced the launch this weekend of its first new unit trust since 1976—and said that more would follow this year.

The new fund, the Smaller Companies and Recovery Unit Trust, will invest 60 per cent of its portfolio in smaller companies capitalised at around £1m and the remaining 40 per cent in higher-yielding shares with a good recovery potential.

Lloyds' unit trust operation already looks after about £100m but this is the first time the bank has launched a specialist fund. The existing trusts—Lloyds Balanced, Lloyds Worldwide Growth, Lloyds Income, and Lloyds Extra Income—all have a fairly broad investment appeal.

Mr. Bert Morris, Lloyds' chief investment manager, said yesterday that other specialist funds are planned for 1980. The next, awaiting approval of the Departments of Trade and Industry, is provisionally called International Technology Trust and is likely to be unveiled within a couple of months.

As well as marking a new departure for Lloyds unit trust team, the bank's plans will also be seen as a welcome vote of confidence in unit trusts generally. Last year trusts suffered their worst year for net new sales since 1962 because a record number of investors cashed in their units.

The Smaller Companies and Recovery Unit Trust offer is in units of 50p. Minimum investment will be £250. The initial charge will be 5 per cent with a ½ per cent annual levy on the fund, though this could be raised to ¾ per cent.

Hilton transport group invests in dockland

BY WILLIAM HALL

MR. RALPH HILTON'S family transport company, Hilton Amalgamated Transport Services, has embarked on a major expansion programme in London's East End. It is investing nearly £2m in Silvertown London Inland Clearance Depot (SLIC).

The company has taken a 20-year lease on 21 acres alongside the King George V Dock and will operate a 250,000-square foot inland clearance depot with container-stacking and repair facilities.

Initially, 170 people will be employed by SLIC, some of whom will be transferred from Hilton's premises in the former Surrey Commercial Docks. Hilton plans to increase the numbers employed to 250 within a year.

Mr. John Black, the Port of London Authority's managing director, said yesterday: "We are particularly pleased to have been able to find an expanding company engaged in freight transport to lease the site."

The Hilton group is spending £400,000 on the reconstruction of the site, £600,000 on new cargo-handling equipment, and £900,000 on new vehicles and trailers. The depot will be served by 80 Hilton road vehicles.

The move is a major boost for the ailing PLA, which has been trying to lure business back into the enclosed docks. Cargo-handling operations ceased on the South Side of the King George V Dock in October, 1974.

The move is also a major development for Mr. Ralph Hilton, who was severely censured by a Departmet of Trade report in 1976. His previous company, Roadships, was described as "not fit to be floated as a public company" and went into receivership in 1975.

Since then he has built up his transport business through his private company, Hilton Amalgamated Transport. At the last balance-sheet date (March, 1978) he owned 51 per cent of the equity. Mrs. P. I. Hilton owned 42 per cent. In the year to March, 1978, the group's turnover rose by 49 per cent to £5.3m and its pre-tax profits were up by two-thirds to £0.5m.

The company had a net worth of £1.1m, net borrowings of £0.6m, and secured hire-purchase creditors of £0.5m. In a note to the accounts the company reports that it has a contingent liability in respect of a joint and several guarantee to Midland Bank for the indebtedness of various subsidiaries.

Scottish industry rescue plan

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A LIST of companies ready to step in at short notice and rescue business casualties in industry is being compiled by the Scottish Development Agency.

Mr. Robin Duthie, recently appointed SDA chairman, said yesterday that there would inevitably be collapses in the next 18 months, when interest rates were high and there were difficulties, such as those caused by the steel strike.

In these cases there were often pieces of a business that could be picked up and made viable and profitable, provided the right management expertise was available.

"When these situations arise we shall be striving to identify possible partners with good management, and we shall be pleased to provide financial backing that is not going to put undue strain on the continuing business.

"I should like to have a list of possible partners identified beforehand. I have already talked to one prominent industrialist in a UK company and he is ready to accept the challenge," Mr. Duthie added.

He said that rescues could not be accomplished merely by the Government, or governmental agencies, choking a company with cash. Management expertise was essential and the SDA could act as a broker, bringing together the ailing company and another firm in the same line of business with the necessary management strength.

Mr. Duthie spent his first two months as chairman reviewing the agency's investment portfolio. This is shortly to be transferred to a holding company, provisionally named Scothold, to separate it from other functions such as industrial promotion and land renewal.

Some companies had encountered problems not envisaged when the agency first invested in them, Mr. Duthie said, but there were no panaceas. The agency's own management staff had been overworked and needed to be "beefed up."

Mr. Duthie announced six new investments, totalling £800,000.

APPOINTMENTS

Dalgety Agricultural post for Spillers executive

Mr. Leslie Thorogood, managing director of Spillers International, is the first executive to join Dalgety following the recent take-over of the company. He is to become a director of DALGETY AGRICULTURAL DEVELOPMENT INTERNATIONAL later this month. Aged 47, Mr. Thorogood joined Spillers from Bass International in 1975 where he was chief executive. He speaks eight languages and his early career included working with a Dutch company, in Germany, and in a number of positions in Togo, Dahomey, Nigeria and Cameroun.

★

Mr. Michael Abbott has been appointed chairman of HENRY WIGFALL AND SON. The position has been vacant since May last year, following the sudden death of Mr. Frank Morrell. Mr. Abbott is also chairman of Drake and Scull Holdings.

★

FAIRCLOUGH CONSTRUCTION GROUP has made the following appointments within its principal subsidiaries: Mr. J. J. Polding is relinquishing his positon as chief executive of Fairclough International Construction. As a group director he will continue to deal with specific overseas projects for the group Board. He retains his executive role as chief executive of Fairclough Construction Services which controls the group's investment in plant and vehicles. Mr. D. J. Edwards, who joined the group in 1979 as deputy chief executive of Fairclough International Construction, is taking over Mr. Polding's position as chief executive of that company. On the building side, Mr. J. C. Watts is joining the group as chief executive of Fairclough Building, succeeding Mr. H. E. Watkin who is taking over as chief executive of Fairclough Estates, based at the group's headquarters at Sandiway House, Cheshire, to develop its business beyond the management of the group's existing properties. Mr. C. I. Bateman, who is a group director and secretary to the group Board, will relinquish his position as chief executive of Fairclough Estates but will remain a member of that Board.

★

Mr. Anthony Hayward has been appointed by BIRMID QUALCAST (HOME AND GARDEN EQUIPMENT) product development director for its garden products group.

★

Mr. Thomas Young has been promoted to area vice-president, ELIZABETH ARDEN, Europe from area director, UK operations. While continuing as managing director of Elizabeth Arden, Mr. Young will now assume responsibilities for the additional areas of France, Belgium and the Netherlands.

★

Mr. Peter J. Keehan is to join the board of FORWARD TRUST (IRELAND) and will be appointed chairman on the retirement of Mr. Arthur Spence at the end of February. Mr. Keehan is presently a director of Guinness Ireland and of Alliance and Dublin Consumers Gas Company. He is also deputy chairman, Carroll Industries and past president of the Confederation of Irish Industry.

★

Mr. Arnold B. Allen has been elected managing director of THE LUMMUS COMPANY, UK, subsidiary of C-E Lummus, international engineering and construction organisation and member of the Combustion Engineering Group. He will succeed Mr. G. R. Lawrence, who has become vice president for the C-E Lummus heat transfer division. Mr. Lawrence will be based at the company's international headquarters at Bloomfield, New Jersey, U.S.

★

Mr. Neil Magee has been appointed deputy managing director of EUMIG (UK). Mr. Michael Cheadle and Mr. Michael Allen have been appointed to the Board.

★

Mr. Ron Elliott has been appointed director European business development for the PERKINS ENGINES GROUP. He assumes responsibility for the activities of Perkins subsidiary companies in France, Germany and Italy and for distributor sales activities and business development through the group's associate and licensee operations in the rest of Europe and the planned economy countries. Mr. Elliott, who was formerly Perkins Engines group's director market supply, succeeds Mr. Peter Barton who has become director UK farm machinery, sales and service, Massey-Ferguson UK.

★

Mr. A. T. Jones, group accountant at BENTALLS, has been appointed company secretary in succession to Mr. F. G. Horstman who has retired. Mr. T. J. Ansell, chief accountant designate, becomes group accountant.

★

The retail sales and marketing organisations in the consumer foods division of CPC (UNITED KINGDOM) have been integrated to form a single commercial operation. Mr. Tony Garvey, retail marketing director has been appointed commercial director—retail in succession to Mr. Bill Durrans, who is to take up a new post; director—new business.

★

Mr. Douglas Lang, formerly a director of Alfred Herbert and managing director of Herbert Tooling, has joined the board of W. E. NORTON SMALL TOOLS LIMITED as a non-executive member and a consultant.

★

At the annual meeting of the TRUSTEES SAVINGS BANK of Leicester and Nottingham Mr. Richard Arthur Pell was appointed chairman. He succeeds Mr. K. D. Williamson who has retired. Mr. S. Basil Trease was appointed deputy chairman.

★

Mr. R. D. Griffiths, formerly a director of Allied Medical Group, is joining the Board of RAND MEDICAL RECRUITMENT INTERNATIONAL.

★

Mr. Charles Hoare has been appointed chairman of GEERS GROSS in place of Mr. Robert Gross who is relinquishing this post to concentrate on his advertising service and internal management of the group.

★

THE ALLIANCE TRUST COMPANY is appointing Mr. George Dunn chairman of the Board on April 11 in place of Mr. David McCurrach who is to retire after the annual meeting, while remaining a director.

Mr. Dunn has been appointed chairman of the SECOND ALLIANCE TRUST from April 11 on the retirement of Mr. McCurrach, Mr. McCurrach will remain a director.

★

WILLIAM TOWNSON AND SONS has made the following appointments: Mr. N. H. Catts commercial — construction, Mr. K. J. Hardcastle secretary, Mr. D. Humphreys construction, Mr. A. Ratcliffe laboratory furnishing, Mr. B. Rowe construction, Mr. A. R. Stones plant and services, Mr. G. V. Taylor asphalt and Mr. K. R. Townson marketing. Mr. J. R. Townson retains his position as group chairman.

★

Following a restructure of the company, Mr. Michael Boddington has been appointed chairman of PECKSTON AIRFREIGHT and Mr. Alan Coombs has become director and general manager.

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A complete range of international financial services from Samuel Montagu, a major Merchant Bank and a member of the Midland Bank Group.

Eurocurrency credits, bond issues, corporate and investment services.

Samuel Montagu are also major market makers in bullion, foreign exchange and Eurobonds.

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Exclusive to Midland, access to the world's largest travel company – Thomas Cook.

Thomas Cook is a member of the Midland Bank Group and the fastest growing company in business travel.

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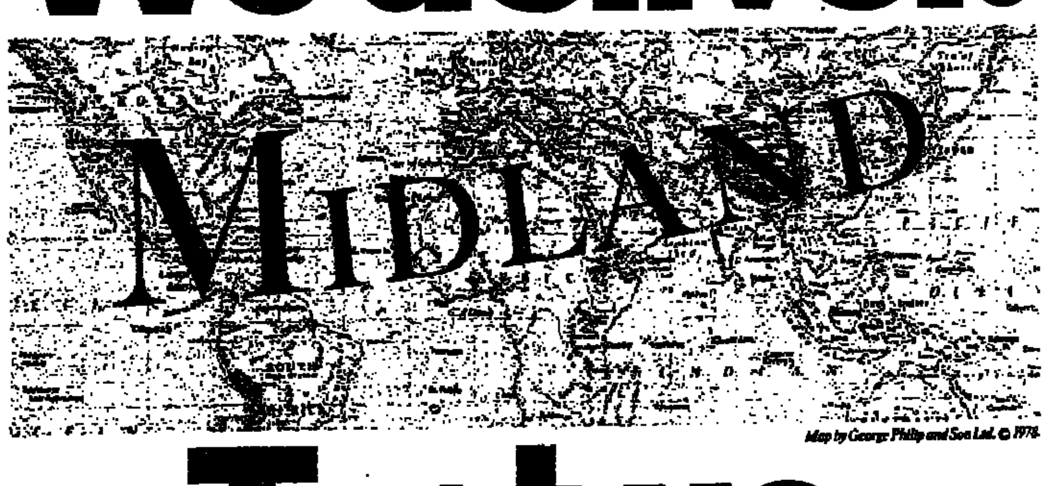
We deliver.



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London docks stoppage looks likely next week

BY GARETH GRIFFITHS, LABOUR STAFF

A STRIKE seems likely at the London enclosed docks next week, after yesterday's breakdown of pay talks between the employers' association and the two dockers' unions.

The unions are the National Amalgamated Stevedores' and Dockers' Union, with 1,000 members in the enclosed docks, which is to call an official strike on Monday unless it gets a better pay offer; and the Transport and General Workers' Union, 3,000 of whose members are to hold an unofficial strike today at the India, Millwall, Royal and Tilbury Docks—their third in a campaign over pay.

The stevedores and dockers were told in tense pay discussions yesterday that 12 per cent was the most the employers could afford. The employers, the London Enclosed Docks Employers' Association, are dominated by the technically insolvent Port of London Authority.

The employers have altered their position on the pay offer slightly. The initial offer of 10 per cent new money has been increased to 12 per cent by adding 2 per cent originally dependent on manning cuts. A proposal to weight the offer in favour of the more skilled and to increase differentials has also abandoned under strong union pressure.

Transport workers' officials will meet today to decide the union's position on the stevedors' and dockers' proposed strike. The former is the dominant dockers' union, and although members are unlikely to want to cross pickets, union officials have said "the tail must not wag the dog." Both sides in the dispute recognise that the attitude of the transport workers will be crucial.

The employers' association will hold a series of meetings during the rest of the week over the proposed strike. Shipowners have kept in close touch with local docks managements and the employers expect traffic to be diverted.

Attempts for conciliation in the docks are complicated by the employers' association's indication to the unions that it will be unable to meet any arbitration award above 12 per cent.

The port authority has warned its workforce that unless working practices at the enclosed docks are improved, it will transfer work out of the India and Millwall Docks by June. The employers have said that the dispute will lead to a permanent loss of traffic.

A settlement for the dockers was due on January 1, although dock settlements in the past have run several months late. Settlements in other ports are generally about 15 per cent.

Robinson result expected today

By Alan Pike, Labour Correspondent

The Amalgamated Union of Engineering Workers is expected to announce today the outcome of its inquiry into the dismissal of Mr. Derek Robinson, the BL Longbridge convener.

Three AUEW executive members who have been investigating Mr. Robinson's dismissal met early yesterday to try to agree on final recommendations to place before the full executive. They then reported to an executive meeting which spent all day considering the options open to the union.

Mr. Robinson was dismissed in November for issuing a document which, the company said, undermined its recovery plan. His dismissal provoked strikes at Longbridge and other plants. The Transport and General Workers' Union made the action official.

However, there was a return-to-work after the AUEW, instead of joining the TGWU in declaring the action official, decided to set up an inquiry.

The AUEW has been faced with a difficult decision. Mr. Terry Duffy, the union's president, said after the inquiry was established that Sir Michael Edwardes, chairman of BL, had threatened mass sackings and the closure of the company if the strikes over Mr. Robinson's dismissal became official.

Unions seek clarification of Civil Service pay proposals

BY PHILIP BASSETT, LABOUR STAFF

GOVERNMENT proposals to provide Civil Service pay increases, within the set cash limits will be examined today in the first report of the new Commons committee on the Treasury and the Civil Service.

The report, being published earlier than expected, is the result of the committee's inquiry into how the Government intends funding the pay increase in this round for 600,000 white-collar civil servants.

Union officials will seek further clarification of the Government's position on how it intends to operate its cash limits for theS ervice at a meeting this morning with Mr. Paul Channon, Civil Service Minister.

The committee's inquiry looked particularly at how the Government intended to reconcile its policy of relying on cash limits to regulate Civil Service pay increases with the findings of the independent Pay Research Unit.

Union officials were concerned that the Government might intend to keep the Civil Service to the limit of 14 per cent—a figure leaked in a Treasury letter. The Pay Research Unit show rises due of 18-20 per cent.

Sir Anthony Rawlinson, second permanent secretary to the Treasury, told the Public Accounts Committee earlier this week that the letter was only a "working paper" which did not apply to the Civil Service, but confirmed that it did refer to other public service groups.

● The Institution of Professional Civil Servants said yesterday that 12 of its members at two Royal Naval Armament depots at Milford Haven and Trecwn in South Wales were being threatened with suspension for refusing to co-operate with the introduction of productivity schemes for industrial civil servants at the two depots.

The ban on co-operation is in response to a recent arbitration award which gave pay increases to technologists markedly less than the union's claim. Mr. Bill McCall, IPCS general secretary, described the award as a "disaster" for the union.

The Ministry of Defence said last night that while there was a problem at the two depots nobody was yet under threat of suspension.

Both sides in Meccano crisis talks

By Our Labour Staff

THE union-management working party at the Meccano plant in Liverpool met yesterday for the first time, to discuss attempts to find a buyer for the factory, which is to be closed at the end of the month.

There had been fears that the rejection of the Airfix proposals on redundancy payments by the Meccano workforce would jeopardise the meeting. No statement was issued after yesterday's talks but a further meeting is planned today and others are likely.

Unions representing Meccano workers will meet Airfix Industries' board on Friday to discuss redundancy payments. The company has already indicated that it is not prepared to increase its offer.

Industry 'needs communication'

BY OUR LABOUR CORRESPONDENT

COMMUNICATION between managers and workers over opportunities created by new techniques is vital, Mr. Jim Lester, Parliamentary Under-Secretary for Employment, said yesterday.

Every strike and every bad management decision made survival more difficult in an increasingly competitive world, he told a conference in London on Communicating in the Eighties.

"Nobody can pretend that the process of negotiation is easy. There will always be difficulty in the boardroom and on the shopfloor. But that is all the more reason to communicate rather than to allow mindless, self-destructive conflict to develop. It is all the more reason to keep on explaining, to present your case reasonably, to listen to the other side, to persuade."

This, said Mr. Lester, was the spirit in which the Employment Bill was drafted. The Bill provided funds to encourage unions to hold secret ballots. It was right that all workers should have a say in issues which affected their lives and their companies.

"When it is a question of pay then management needs not only to explain but to persuade. They have got to persuade not only their unions to accept a realistic level of pay in the light of the companies' performance and past and future profit levels, but also o justify a level of pay which is going to stick in a wider industry context."

Chemicals working party 'sabotaged'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

MAJOR CHEMICAL companies have been accused of trying to "sabotage" the petrochemicals sector working party—set up by the last Government as part of its tripartite industrial strategy—by cancelling a meeting with Sir Keith Joseph, Industry Secretary.

Mr. Roger Lyons, national chemicals officer of the Association of Scientific, Technical and Managerial Staff, said the cancellation may mean the working party has little to show for itself when reviewed by the National Economic Development Council this spring.

It is one of 17 sector working parties "on probation" which may be axed if they cannot prove their usefulness.

Mr. Lyons wrote to the working party secretary expressing anger that the meeting—planned for February 18—was cancelled. This was "against the wishes of the trade union representatives" on the working party.

A sub-committee of the working party spent a considerable amount of time drawing up a joint statement to make to Sir Keith.

The paper included an analysis of the state of the petrochemicals industry, an account of measures being taken by the working party to deal with current problems, and suggestions on how the Government might held—including a plea to speed up planning applications for new plants.

Mr. Lyons said the joint statement had been "jettisoned." Instead, working party members were going to spend two days at an hotel "trying to thrash out their differences and decide exactly what to say to Sir Keith" when they met him.

But Mr. Lyons said there was "no chance" of the two-day meeting advancing any further than the joint statement already prepared. It might prove difficult to arrange a meeting with Sir Keith before the working party came up for review in April or May. The cancellation of the February 18 meeting therefore amounted to a "sabotage attempt."

"If the petrochemicals working party comes up for review before it has met Sir Keith, it won't be able to point to any successful initiatives taken as evidence for being allowed to carry on," Mr. Lyons said. "It is therefore likely to be axed. I believe this is exactly what some of the chemical companies may want."

But Dr. Peter Caudle, economic affairs director of the Chemical Industries Association and a member of the working party sub-committee which drew up the joint statement, said yesterday sabotage had not been in anybody's mind.

The majority of the working party members had been anxious that the meeting with Sir Keith should "not be a fiasco" with the industry's representatives "going over old ground or raising thoroughly vague issues."

This would merely force Sir Keith to view the working party as "yet another useless quango."

Dr. Caudle said it was vital Sir Keith be presented with some developed ideas and recommendations if the meeting were to be a fruitful one. There had been no intention of postponing it indefinitely.

Steel strike depresses business confidence despite export hopes

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE CONFEDERATION of British Industry yesterday reported a continuing decline in business confidence and investment plans of manufacturing industry in its quarterly trends survey.

Opinions were canvassed from some 1,940 companies during the first three weeks of January. It is assumed that the expected effects of the steel strike depressed some of the forward-looking replies.

Companies forecast a reduction in the levels of orders and output both at home and overseas, despite problems easing in export markets during the past four months.

Job losses

The general gloom is beginning to hit small businesses as well as large concerns, and there are widespread reports of falls in employment levels.

But the survey results also suggest that there may have been slight easing of pressures on cost and price inflation, albeit only temporarily.

Commenting on the survey, the CBI said that the results should be "interpreted with care." Taken at face value, they suggested a sluggish trend in levels of activity over the past four months, and a further decline over the next four months, with weak export and home orders.

"The results are in line with our expectations, and our view is still that the control of inflation remains the most important priority for economic policy. We, therefore, support the Government's determination to pursue a firm monetary policy. At the same time, we are seriously concerned about the consequences for our members of a sustained period of high interest rates."

On business confidence, the survey shows that only 5 per cent of the respondents are more optimistic about the general situation than they were four months ago; 50 per cent are less optimistic. This produces a balance of 45 per cent reporting less confidence, which is a lower rate of decline than in the run-up to the 1975 recession.

Although less optimism is apparent in most industries, the food and electronics goods sectors are the most buoyant. But falling optimism is now being reported for the first time by small businesses.

A balance of 18 per cent of all the companies report a decline, rather than an increase, in the volume of new orders, with synthetic fibres suffering the weakest demand for the second quarter in succession. Intermediate and consumer goods sectors are the worst hit broad areas for the inflow of new orders.

For the next four months, a balance of 24 per cent of the respondents expects a decline rather than an increase in orders, with metal manufacturing producing an especially gloomy forecast.

On capacity working, 63 per cent of participants are now working below a satisfactory full rate of operation, compared with 61 per cent in October. Companies in the food, drink and tobacco sector and in chemicals, coal and petroleum products are continuing to report above-capacity operations, though in metal manufacturing as many as 90 per cent of the respondents are below capacity. Small businesses are faring better than large companies.

Stocks of raw materials and components are reported to have fallen during the past four months and are expected to decline further in the next period, partly because of the steel strike.

As in the past two surveys, stocks of finished goods are said to have risen, with forecasts pointing to a decline in the next four months. Some 80 per cent of the companies assess their stocks of finished goods as adequate, or more than adequate. This compares with 73 per cent last October, and 70 per cent in the middle of last summer.

"This assessment, taken in conjunction with the reported movements and expectations for such stocks, supjorts the suggestions (made by the CBI last October) that some involuntary stockbuilding of finished goods has occurred."

Lack of orders and sales are quoted as the most likely constraints to output during the coming four months. Shortages of skilled labour are quoted as a constraint by only 13 per cent of respondents, which is the smallest proportion since April 1976, although some industries such as shipbuilding and marine engineering are still reporting significant problems.

The steel dispute has increasedthe proportion of companies citing shortages of materials an components as a constraint from 9 per cent to 13 per cent.

Investment down

Investment intentions are following a path of gradual cyclical decline, with a balance of 18 per cent of respondents intending to authorise less rather than more expenditure on plant and machinery over the next four months. A balance of 30 per cent is expecting to authorise less rather than more building investment.

The CBI says that on the basis of historical relationships between investment intentions and actual capital expenditure, it now expects the volume of private manufacturing investment to fall this year by about 5 per cent.

About a third of respondents report lower employment levels, both for the last four months and for the coming period, showing a stronger tendency to shed labour than was apparent last October. Labour shedding is most discernible in industries such as shipbuilding and marine engineering, synthetic fibre production, and agricultural machinery.

Some 75 per cent of participants report an increase in average costs per unit of output over the last four months, with 3 per cent reporting a fall. The balance of 72 per cent on the side of an increase remains high by historical standards, says the CBI, but is noticeably lower than in October and July last year.

Export hopes

On business overseas, there is a further weakening in confidnece about export prospects, but the decline is less marked than it was in second half of last year. Though confidence is weakening in most areas of manufacturing industry, it has declined less for larger concerns.

There has been a marginal improvement in the volume of export orders, mainly reported by the electrical engineering sector, and there has also been an improvement in export deliveries.

But prices are still the major factor impeding export prospects, with the number of companies reporting this as a key restraint remaining at the record level of 76 per cent reported last October.

CBI Industrial Trends Survey, January 1980, No. 75. Full Results annual subscription £90 (CBI members £40) 21 Tothill Street, London, SW1.

EXPORT TRADE

Companies completing these questions have direct exports exceeding £10,000 a year. Number of respondents 1,397.

	More	Same	Less	N/A
Are you more or less optimistic about your export prospects for the next 12 months than you were four months ago	7 (9)	55 (50)	37 (41)	1 (—)

Excluding seasonal variations, do you consider that in volume terms:

	Above normal	Normal	Below normal	N/A
Your present export order book is	8 (11)	45 (43)	44 (44)	3 (3)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

	Trend over past four months				Expected trend over next four months			
	Up	Same	Down	N/A	Up	Same	Down	N/A
Volume of total new export orders	16 (15)	48 (44)	30 (37)	7 (4)	15 (18)	52 (54)	27 (24)	7 (4)
Volume of export deliveries	20 (13)	47 (43)	28 (42)	5 (2)	18 (26)	50 (50)	27 (22)	5 (2)
Average prices at which export orders are booked	44 (48)	46 (43)	7 (8)	3 (2)	56 (56)	38 (36)	3 (6)	3 (2)

What factors are likely to limit your ability to obtain export orders over the next four months:

Prices (compared with overseas competitors)	Delivery dates	Credit or finance	Quota and import licence restrictions	Political or economic conditions abroad	Other
76 (76)	13 (20)	8 (5)	14 (15)	39 (39)	7 (11)

GENERAL REPLIES

TOTAL TRADE—1,939 respondents. All figures are percentages on a weighted sample. Figures in parentheses show the response to last October's survey.

	More	Same	Less
Are you more, or less, optimistic than you were four months ago about the general business situation in your industry	5 (7)	46 (45)	50 (47)

Do you expect to authorise more or less capital expenditure in the next 12 months than you authorised in the past 12 months on:	More	Same	Less	N/A
(a) Buildings	12 (17)	35 (36)	42 (37)	11 (10)
(b) Plant and machinery	23 (27)	35 (36)	41 (36)	1 (1)

	Yes	No	N/A
Is your present level of output below capacity (i.e. are you working below a satisfactory full rate of operation)	63 (61)	36 (36)	1 (2)

Excluding seasonal variations, do you consider that in volume terms:

	Above normal	Normal	Below normal	N/A
(a) Your present total order book is	7 (13)	44 (44)	47 (41)	1 (1)
	More than adequate	Adequate	Less than adequate	N/A
(b) Your present stocks of finished goods are	22 (20)	58 (53)	7 (13)	14 (14)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

	Trend over past four months				Expected trend over next four months			
	Up	Same	Down	N/A	Up	Same	Down	N/A
Numbers employed	9 (13)	51 (49)	40 (35)	— (—)	7 (12)	51 (51)	42 (37)	— (—)
Volume of total new orders	17 (21)	44 (36)	35 (39)	3 (4)	12 (13)	49 (52)	36 (31)	3 (3)
of which: Domestic orders	18 (20)	46 (42)	32 (35)	4 (3)	11 (12)	50 (57)	35 (28)	4 (3)
Volume of output	21 (15)	55 (51)	22 (32)	1 (1)	14 (24)	59 (54)	25 (20)	1 (1)
Volume of domestic deliveries	21 (19)	50 (43)	27 (37)	2 (1)	16 (23)	48 (51)	33 (25)	3 (1)
Stocks of: (a) Raw materials and brought in supplies	21 (28)	52 (52)	24 (18)	3 (3)	9 (10)	54 (57)	33 (30)	3 (3)
(b) Work in progress	17 (23)	58 (57)	17 (14)	8 (6)	8 (13)	59 (56)	24 (24)	8 (7)
(c) Finished goods	21 (24)	50 (43)	15 (20)	14 (13)	12 (15)	50 (47)	24 (25)	13 (13)
Average costs per unit of output	75 (78)	22 (20)	3 (1)	— (1)	78 (76)	20 (21)	2 (2)	1 (1)
Average prices at which: Domestic orders are booked	58 (62)	37 (34)	3 (2)	3 (2)	66 (62)	30 (33)	1 (2)	3 (2)

Approximately how many months' production is accounted for by your present order book or production schedule:

Less than 1	1-3	4-6	7-9	10-12	13-18	More than 18	N/A
14 (11)	47 (48)	13 (16)	3 (3)	1 (1)	2 (1)	2 (3)	18 (16)

What factors are likely to limit your output over the next four months:

Orders or sales	Skilled labour	Other labour	Plant capacity	Credit or finance	Materials or components	Other
82 (74)	13 (20)	2 (3)	8 (11)	4 (5)	13 (9)	6 (7)

	More than adequate	Adequate	Less than adequate
In relation to expected demand over the next 12 months is your present fixed capacity	43 (38)	51 (54)	6 (8)

What are the main reasons for any expected capital expenditure authorisations on buildings, plant or machinery over the next 12 months:

To expand capacity	To increase efficiency	For replacement	Other (please specify)	N/A
20 (26)	58 (60)	54 (50)	6 (4)	13 (11)

What factors are likely to limit (wholly or partly) your capital expenditure authorisations over the next 12 months:

Inadequate net return on proposed investment	Shortage of internal finance	Inability to raise external finance	Cost of finance	Uncertainty about demand	Shortage of labour including managerial and technical staff	Other (please specify)	N/A
31 (30)	21 (24)	2 (3)	20 (10)	41 (37)	5 (7)	2 (2)	18 (21)

Tory MPs seek limit to steel strike damage

BY IVOR OWEN

THERE is virtually no prospect of early legislation curbing sympathy strikes or requiring unions to hold ballots at plant or factory level before ordering a stoppage of work, the Prime Minister admitted in the Commons yesterday.

Anxiety about the mounting damage being caused by the steel dispute as it bites deeper into the private sector was expressed from both sides of the House, but Mrs. Thatcher gave no indication of a shift in the Government's position during a series of heated clashes with Mr. Michael Foot, the deputy Labour leader.

She remained adamant that there could be no question of more taxpayers' money being made available to the British Steel Corporation to finance pay increases. She insisted that she would have "no truck" with strikers who refused to take the opportunity to improve their earnings through increased productivity.

Questions from two senior Tory backbenchers, Sir John Eden (Bournemouth West) and Sir William Clark (Croydon South) underlined the pressure being exerted by the Government's own supporters for new measures to limit the impact of strike action.

Sir John called on the Prime Minister to assure the representatives of the British Independent Steel Producers, whom she was to meet later at 10 Downing Street, that the Government would seize the opportunity provided by the passage through Parliament of the Employment Bill.

Never again, he said, should firms like those in the private sector steel industry be subjected to the sort of strike action now taking place.

The Prime Minister replied that while secondary picketing was dealt with by the Employment Bill, she did not believe it could deal, at the moment, with secondary strikes.

She agreed with Sir John that the steel strikers should stop the damage they were inflicting and resume negotiations.

The Prime Minister commented: "It is a great sorrow to me that the people on strike are not already round the table negotiating again."

Sir William Clark emphasised the deep frustration felt by many of the workers in private sector steel companies who did not want to strike but were afraid to defy their unions in case of victimisation later.

He pressed for the introduction of a one-clause Bill providing that where 500 workers or 10 per cent of the workforce whichever was the lower required a ballot, the unions would be under a mandatory obligation to hold one before calling a strike.

The Prime Minister confessed to having been tempted by the possibility of introducing such a one-clause Bill, which could be rushed through Parliament with the minimum of delay.

Then, to the obvious dismay of some Government supporters she added: "I must be candid. I doubt very much whether we can get any one-clause Bill through the House during the course of this strike. I think we will have to get the strike settled first."

Mr. Foot based his attack on the Prime Minister on revelations made in Monday's television programme World in Action which, he said, showed that BSC had warned the Government long before Christmas that a zero pay offer would lead to a catastrophic strike.

Amid Labour cheers he told the Prime Minister: "There is a very deep sense of desperation spreading throughout the country—and you are responsible.

"When are you going to come to the House and say you are going to take some action to stop the spread of paralysis throughout the whole country?"

The Prime Minister replied that the sense of desperation apparent to her centred on the fact that the latest and most modern equipment provided for the steel industry by taxpayers' money was not being used by the workers in the industry to improve productivity to increase their earnings.

Ashley Ashwood

Mrs. Margaret Thatcher

Not enough heat to melt the Iron Maiden

BY PHILIP RAWSTORNE

WITH steel furnaces cooling, the political temperature soared in the Commons yesterday.

Not quite hot enough to melt the Iron Maiden; or even to make her noticeably more malleable.

But 15 minutes of sustained, fiery questioning certainly brought a flush to the Prime Minister's cheeks.

Mrs. Thatcher was greeted with a blast of anger from Mr. Barry Jones (Lab., East Flint).

He was almost incoherent with rage, accusing Sir Keith Joseph of provoking the strike, laying waste working class communities . . . "Will you assert yourself and sack him?" he demanded.

Tory MPs jeered their disdain for what one called these "Palladium antics."

Mrs. Thatcher icily dismissed the charges as "ridiculous and disgraceful."

But Mr. Michael Foot diligently stoked the protests against Government inaction.

British Steel Corporation papers had shown that the Government had been warned of the "catastrophic" efforts of the "zero pay offer," he declared.

What was she going to do about the spreading paralysis, the deep sense of desperation in the country?

Mrs. Thatcher, rising to the challenging Labour chorus, lost some of her cool.

The taxpayer was providing £450m for investment, working capital and redundancy payments, she said indignantly.

Mr. Foot, raising Tory hackles, persisted. So did Mr. Jack Straw—"What reply did she give to the BSC's warnings?" he asked.

In a properly run government, such matters did not come before the Prime Minister, Mrs. Thatcher retorted.

Flushed but unflustered, she held her ground.

Mr. Douglas Jay (Lab. Battersea North) drew the obvious conclusion from her rigidity.

The Government's industrial policies must be producing the results the Prime Minister intended, he remarked.

Mrs. Thatcher, amid Labour laughter, hotly assured him that they were giving people an opportunity to earn more.

Mr. Foot came back for a fourth time to interpret that reply for the benefit of the Labour benches. It appeared to mean "quite simply, yes, we have done it all on purpose," he said.

Briefing on policy for backbench committee

By Elinor Goodman, Lobby Staff

TORY BACKBENCH pressure is growing for a senior Minister to be asked to explain the Government's position on steel to the 1922 Committee of Conservative backbenchers. A decision is likely to be taken at the 1922's executive meeting later this week.

The signs are that unless the strike is suddenly called off, the executive will ask either Mr. James Prior, the Employment Secretary, or Sir Keith Joseph, the Industry Secretary, to attend its next meeting.

Backbenchers are getting increasingly nervous about the way the strike is dragging on and threatening to affect other industries. In public statements, most are still loyal to the Government, but in private some admit to being confused about what the Government's strategy really is.

In an unusual move for a Tory backbench committee, the employment group has asked Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, to address their meeting today.

This follows a meeting last week of the Tory industry group with Sir Charles Villiers, BSC's chairman. At that meeting Sir Charles was given a relatively polite reception—partly because he gave his audience the impression that he was on the verge of settling with some of the smaller unions.

The majority of Tory MPs probably still support Sir Keith's insistence on the need to abide by strict cash limits, but a substantial minority support what they believe to be the slightly more flexible approach favoured by Mr. Prior.

Thus, any Minister addressing the 1922 Committee on the steel situation is likely to be faced with conflicting pressures from different sides of the party.

Some Conservative backbenchers are concerned about the Government's apparent difficulty in drafting new provisions to deal with secondary action.

Until now morale on the Tory backbenches has been fairly high, but MPs have been very upset by the Government's handling of the gas price increase. The constituency complaints about this, the steel strike and reports of a possible full-scale Government - union movement confrontation, have contributed to the growing unease on the back benches.

Firm stand on local authority curbs

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE Government made it clear in the Commons last night that it intends to press ahead with its plans for stricter control over spending by local councils despite strong opposition from the Conservative - dominated local authority associations.

Under the block grant system proposed in the Local Government, Planning and Land Bill, the Government will be empowered to penalise local authorities which spend above set limits. It will also set a ceiling on the level of capital spending by local councils.

Introducing the second reading of the marathon Bill, Mr. Michael Heseltine, Environment Secretary, told the House that the associations had suggested that there could be other means to meet the objectives of the block grant system.

"They have not yet put forward an agreed alternative which meets our objectives," he declared.

If they did so, he said, he would be prepared to discuss it. "But—as I have told them—we are doubtful if a practical alternative exists."

It quickly became clear in the debate that some influential Tory backbenchers have strong reservations about the Bill. They share the fears of Tory local authorities that it will increase the power of central government of local affairs.

Mr. Geoffrey Rippon (C., Hexham) who was Environment Secrbtary in Mr. Heath's Government, urged Mr. Heseltine to recognise the validity of the concern expressed by the local authority associations. He thought the Government should hold more discussions with them about alternative proposals.

There were cheers from Tory and Labour backbenchers when he declared: "Without a firm assurance that these further discussions are going to take place I will find it difficult to support the Bill in spite of approval of its intentions and many of its provisions."

The Conservatives had said often enough that there was nothing wrong with Britain that a little less legislation and less government interference would not improve.

"In so far as this Bill flies in the face of this belief it will require a great deal of further thought and discussion before it deserves to reach the statute book," added Mr. Rippon.

By all means, he said, control the taxpayers' total contribution to local government and seek a fair distribution between various parts of the country and types of authority.

"But don't reduce the effectiveness of locally elected members of councils," he declared.

"The truth remains that the local electorates are decisive in running local affairs. The alternative is the further erosion of local democracy."

But, from the Government front bench, Mr. Heseltine told the House: "This is a major Bill and a central Bill in the Government's programme.

There were cries of support from Tory backbenchers when he said the new system would ensure that the high spending authorities did not pre-empt even larger shares of Government money away from those authorities which observed the Government's financial guidelines.

The Bill was intended to end the present system under which high expenditure by local authorities was automatically rewarded.

He spelled out in more detail his proposals for local authorities to publish an account of their spending and staffing

Quarterly figures showing the total number of employees in each principal activity of an authority should be made available local. He was also asking them to published the length of time it took to deal with planning applications.

The Bill came in for strong criticism from Mr. Roy Hattersley, the Labour Environment spokesman, who predicted that the Government would introduce a guillotine at a later stage in order to get it on to the Statute Book.

In effect, he said, it was an enabling Bill which allowed Mr. Heseltine "to do what he wants when he wants." The powers were only limited by a general statement of principle.

"That the House should be asked to give the Secretary of State such wide discretion in clause after clause is intolerable," he protested.

Mr. Michael Heseltine

Mr. Roy Hattersley

Review of Welsh job creation

By Robin Reeves, Welsh Correspondent

THE NEW Commons Welsh select committee decided yesterday to plunge straight into the centre of the industrial crisis in Wales by launching an investigation into the role of the Welsh Office and associated agencies in developing new job opportunities.

With up to 50,000 redundancies threatened over the next year through the rundown of the Welsh steel and coal industries, the committee, at its inaugural meeting, agreed to invite the Welsh Office to submit a memorandum on its role in providing employment. It

The Welsh Office submissions will be followed by evidence from the Welsh Development Agency, the Development Board for Rural Wales, the Wales CBI and TUC, the Welsh Counties Committee and the Council for the Principality which represents district councils.

Quango critic takes dockland post

BY ROBIN PAULEY

THE MAN who led the fight on Merseyside against the creation of an urban development corporation for the docklands, saying it would be a "quango of the first order, faceless, bureaucratic and without a vestige of public accountability," was yesterday named as its deputy chairman.

Sir Kenneth Thompson, Tory chairman of Merseyside County Council, agreed to take the Merseyside post Mr. Michael Heseltine, Environment Secretary told the Commons yesterday during the second reading of the Local Government Planning and Land Bill. Mr. Leslie Young, chairman of J. Bibby, the Liverpool-based food and animal feeds company, has been appointed chairman.

Mr. Heseltine also announced that Mr. Bob Mellish (Lab. Bermondsey), a former chief whip, had agreed to be deputy chairman of the London docklands UDC. It will have Mr. Nigel Broackes, chairman of Trafalgar House, as chairman.

The choice of deputy chairmen appears to have been a political move to try to neutralise fierce local authority opposition to the creation of the UDC, particularly from the five East London Labour-controlled dockland boroughs.

Mr. Heseltine is known to have been looking from the outset for successful businessmen as chairmen. Dynamism and vigour are the two key elements which he feels have been lacking in the development of docklands so far.

Mr. Broackes founded Trafalgar in the late-1950s. When the company went public in 1963 his shares were worth £400,000 and he is believed to have been a millionaire by the time he was 30.

Mr. Leslie Young became chairman of J. Bibby in January 1979 after being its deputy chairman and managing director.

He has been variously chairman of the north west regional council of the CBI, chairman of the advisory board for the government scheme of assistance to the clothing indsutry, chairman of the north west industrial development board and a member of the north west economic planning council.

Sir Kenneth Thompson has been leader of the Tory group on Merseyside County Council since 1974 and chairman since 1977. He was Tory MP for Walton from 1950 to 1964 and is a director of several Liverpool compaines.

Mr. Mellish, an East Ender, has been an MP since 1946. He was Miinster of Public Building and Works 1967-69 and Labour Party chief whip from 1969-76.

Mr. Mellish made it clear yesterday that since he would not be accepting a salary as deputy chairman of the London corporation he would not be required to give up his seat in Southwark, Bermondsey.

Shortly after last May's election, there was speculation that Mr. Mellish, who had a majority of more than 11,700 and has been in the Commons for 34 years, might give up his seat to make way for Mrs. Shirley Williams.

By taking up an appointment in a Tory-created corporation, Mr. Mellish is bound to be criticised by some of his colleagues but he made it clear in the debate yesterday that he had no intention of resigning "at the moment."

Consumer plan attacked

BY ELINOR GOODMAN, LOBBY STAFF

THE EEC has again been criticised by the House of Lords select committee on the European Community for trying to get involved in areas the peers believe are best left to the member-states.

In its report published yesterday on the Commission's proposals for a programme of consumer action, the committee said that the Commission should confine itself to laying down the broad principles of consumer affairs in the Community and establishing the general rights of consumers, manufacturers and retailers. Detailed legislation should be left to the governments of member-states.

The committee welcomed some aspects of the proposed new consumer programme, hoping it would mean a move away from the detailed and "often unsatisfactory" directives proposed by the commission in the past.

But the committee said it was "disappointed" by the Commission's determination to press on with directives on such matters as doorstep selling and home study courses, which committee members felt would be better left to the discretion of individual countries.

House of Lords select committee on the European Community's consumer protection. 7882/79.

London Clearing Banks' balances

as at January 16, 1980

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1.
AGGREGATE BALANCES

LIABILITIES	Total outstanding £m	£m	Change on month £m	£m
Sterling deposits:				
UK banking sector	8,032		− 368	
UK private sector	33,978		+ 508	
UK public sector	518		+ 67	
Overseas residents	3,653		+ 183	
Certificates of deposit	1,819		− 145	
		48,000		+ 244
of which: Sight		19,414		+ 141
Time (inc. CD's)		28,585		+ 103
Foreign currency deposits:				
UK banking sector	6,610		+ 172	
Other UK residents	1,195		− 73	
Overseas residents	15,281		− 56	
Certificates of deposit	1,311		+ 26	
		24,397		+ 69
Total deposits		72,397		+ 313
Other liabilities*		11,508		+ 798
TOTAL LIABILITIES		83,905		+1,111
ASSETS				
Sterling				
Cash and balances with Bank of England		1,458		+ 79
Market loans:				
Discount market	2,533		− 151	
UK banks	10,520		−1,213	
Certificates of deposit	1,265		− 55	
Local authorities	886		− 16	
Other	363		+ 5	
		15,568		−1,431

	Total outstanding £m	£m	Change on month £m	£m
Bills:				
Treasury bills	419		− 135	
Other bills	897		+ 39	
		1,317		− 96
Special deposits with Bank of England		26		− 440
Investments:				
British Government stocks	1,707		− 142	
Other	1,621		− 15	
		3,327		− 157
Advances:				
UK private sector	25,849		+1,812	
UK public sector	568		+ 281	
Overseas residents	3,237		+ 73	
		29,653		+2,166
Other sterling assets*		7,286		+ 920
Foreign currencies				
Market loans:				
UK banks and discount market	5,547		− 304	
Certificates of deposit	172		− 19	
Other	10,638		+ 142	
		16,357		− 181
Bills		35		+ 9
Advances:				
UK private sector	1,772		− 55	
UK public sector	878		− 22	
Overseas residents	4,910		+ 377	
		7,539		+ 299
Other foreign currency assets*		1,319		− 57
TOTAL ASSETS		83,905		+1,111
Acceptances		953		− 64

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL Outstanding	TOTAL Change on month	BARCLAYS Outstanding	BARCLAYS Change on month	LLOYDS Outstanding	LLOYDS Change on month	MIDLAND Outstanding	MIDLAND Change on month	NATIONAL WESTMINSTER Outstanding	NATIONAL WESTMINSTER Change on month	WILLIAMS & GLYN'S Outstanding	WILLIAMS & GLYN'S Change on month
LIABILITIES	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Total deposits	72,397	+313	19,623	+135	14,464	+340	14,231	+ 90	22,004	−319	2,075	+ 68
ASSETS												
Cash and balances with Bank of England	1,458	+ 79	452	+ 48	280	+ 67	319	+ 7	358	− 36	49	− 7
Market loans:												
UK banks and discount market	18,600	−1,669	4,680	−382	4,175	−240	2,563	−471	6,709	−602	473	+ 26
Other	13,324	+ 57	3,569	− 6	3,728	+ 59	2,168	+220	3,529	−226	330	+ 10
Bills	1,352	− 87	259	− 84	127	− 33	479	+ 49	452	− 18	35	− 2
British Government stocks	1,707	−142	342	− 38	247	− 50	507	− 46	517	− 7	94	− 1
Advances	37,212	+2,465	10,759	+732	6,179	+522	8,318	+530	10,778	+620	1,177	+ 61

TABLE 3. CREDIT CONTROL INFORMATION
(Parent banks only)

	TOTAL Outstanding	TOTAL Change on month	BARCLAYS Outstanding	BARCLAYS Change on month	LLOYDS Outstanding	LLOYDS Change on month	MIDLAND Outstanding	MIDLAND Change on month	NATIONAL WESTMINSTER Outstanding	NATIONAL WESTMINSTER Change on month	WILLIAMS & GLYN'S Outstanding	WILLIAMS & GLYN'S Change on month
Eligible liabilities	30,219	+1,409	9,473	+421	4,904	+294	6,865	+216	7,948	+444	1,029	+ 34
Reserve assets	3,838	+142	1,224	+ 65	615	+ 21	865	+ 3	1,004	+ 51	131	+ 3
Reserve ratio (%)	12.7	− 0.1	12.9	+ 0.1	12.5	− 0.4	12.6	− 0.4	12.6	− 0.1	12.7	− 0.1

Banking figures

(as table 4 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1—Banks

	Jan. 16, 1980 £m	Change on month £m
Eligible liabilities		
UK banks		
London clearing banks	30,378	+1,407
Scottish clearing banks	3,211	− 4
Northern Ireland banks	1,089	+ 11
Accepting houses	2,270	− 4
Other	7,208	− 23
Overseas banks		
American banks	4,611	− 111
Japanese banks	368	+ 11
Other overseas banks	3,480	+ 32
Consortium banks	322	− 30
Total eligible liabilities*	52,938	+1,291
Reserve assets		
UK banks		
London clearing banks	3,861	+142
Scottish clearing banks	428	+ 6
Northern Ireland banks	154	+ 2
Accepting houses	320	+ 5
Other	970	− 27
Overseas banks		
American banks	628	—
Japanese banks	56	+ 1
Other overseas banks	512	− 7
Consortium banks	54	—
Total reserve assets	6,983	+122
Constitution of total reserve assets		
Balances with Bank of England	611	+162
Money at call:		
Discount market	3,592	+193
Other	271	+ 41
UK, Northern Ireland Treasury Bills	801	−317
Other bills:		
Local authority	171	+ 19
Commercial	956	+ 9
British Government stocks with one year or less to final maturity	582	+ 17
Other	—	—
Total reserve assets	6,983	+122
Ratios %		
UK banks		
London clearing banks	12.7	− 0.1
Scottish clearing banks	13.3	+ 0.2
Northern Ireland banks	14.1	—
Accepting houses	14.1	+ 0.3
Other	13.5	− 0.3
Overseas banks		
American banks	13.6	+ 0.3
Japanese banks	15.3	− 0.1
Other overseas banks	14.7	− 0.4
Consortium banks	16.8	+ 1.3
Combined ratio	13.2	− 0.1
	£m	£m
N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to	199	− 12
2—Finance houses		
Eligible liabilities	462	+ 2
Reserve assets	48.9	+ 1.1
Ratio (%)	10.6	+ 0.2

Special deposits at January 16 were nil (down £822m) for banks and nil (down £9m) for finance houses. * Interest-bearing eligible liabilities were £35,432m (up £1,824m).

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

Gives wool yarn a tough core

NEW SPINNING systems for making yarns from staple fibres are growing at an astonishing rate. As each appears, it is offered to a somewhat confused industry on the basis of certain specific savings, such as less power consumption per unit of production, less raw material, greater speed etc.

The most recent development is a French process known as Novacore which appears mainly to be aimed at the market where spun wool yarns are used.

Normally, it is only possible, by the nature of wool spinning, to make a yarn with upwards of 45 wool fibres in the cross-section. With Novacore it is said to be possible to reduce this to 20 or even 15 fibres per cross-section, a significant saving of an increasingly expensive raw material.

Novacore is based on a concept of Institut Textile de France (ITF) which holds the patents and which has licensed Ateliers Roannais de Constructions Textiles (British agent: John Walton (Wilmslow), Poplar House, 12 Manchester Road, Wilmslow, Cheshire. Tel. Wilmslow 529494) to build the machines.

There are four components in the new type yarns. Two wool slivers are taken through two double-apron drafting systems which operate separately and these are then combined each with a strand of filament yarn through what is described as a 'variable false-twist unit.' The ends are then brought together to form a composite yarn. Production rate is a constant 210 metres/minute.

After formation, the yarn is wound up on a parallel cheese of 150 mm traverse and a maximum diameter of 250 mm. If used as produced, the yarn is described as Novacore AT, but if two ends are brought together on a 2-for-1 twister to give greater cohesion then it is called Novacore ATT. The interesting claim for Novacore is that the wool migrates to the outside of the yarn where it is held firmly in place by the core of synthetic filament which may be either flat or textured.

Thus, a yarn is made which, superficially, appears to be a wool or worsted thread.

Most work appears to have been directed towards Novacore twofold yarns using wool with polyester and spinning to Nm 24s, 60s and 80s. The process is also said to allow wools to be used which have a higher Micronaire value than would normally be possible.

It is not claimed that these new yarns will be substitutes for existing wool and wool/polyester yarns, but rather that because of their special characteristics they could well open the way to the development of completely new textile products.

● COMMUNICATIONS

Acoustic wave devices

SIGNAL TECHNOLOGY is the name of a joint venture company founded by Plessey and Anderson Laboratories of the U.S.—to make surface acoustic wave devices.

These devices, which first came to light about 10 years ago, are based upon piezo-electric material on which are deposited input and output transducer-fingers.

An input alternating signal produces a surface acoustic wave which moves to the output fingers where an electrical output is produced. However, by alteration of the shape of the fingers, and by choice of substrate, almost any desired filter response can be achieved.

Spacing of the fingers determines a centre resonant frequency while the extent and type of overlap allows the filter response curve to be shaped. The number of sections determines the bandwidth, while the distance between the input and output set of fingers fixes group delay.

Due to the joining of the two organisations' knowledge, Signal Technology starts with a catalogue of over 200 products. Market targets are military, radar, cable TV, communications (satellite and land).

The new company is at Cheyney Manor, Swindon, Wiltshire (0793 20602).

● AUTOMATION

Keeps the plant under control

RELATIVELY low cost control of process and production plant can be obtained with the PLC-256 programmable logic controller just put on the market by Thorn Automation.

The three basic units involved are for input and output, together with a main module containing control, program memory, power supply with optional items such as timers.

Each of the input and output units can handle 16 functions and up to 16 can be used to give a total of 256 channels. Input units take signals from the plant (from limit switches, push buttons for example) and digitises them ready for processing by the control unit. Output units take control signals which then, according to programs, drive plant and output devices such as solenoids, contactors and lamps.

The complete system is mounted on horizontal DIN rails in a range of industrial enclosures.

More from P.O. Box 4, Rugeley, Staffs WS15 1DR (Rugeley 5151).

● VENTILATION

Fumes and dust extracted

SAID TO be ideal for fume and dust extraction and able to be used for jobs up to nine metres away from the mounting point, is a new long reach extraction system from Ventilation Jones, 13 Duke Street, Princes Risborough, Bucks (084 44 5874).

Called the PU system, it is said to be ideal when applied in welding booths, glass reinforced polyester (GRP) workshops, and metal grinding areas.

Installed in either multi or single station form according to specific needs, it has a powerful paddle blade centrifugal fan to provide suction and is fitted with glass fibre fabric hoses which can extend to 2.5, 5 or 7.5 metres.

Each hose is suspended overhead by a hinged articulating arm mounted on a pivoting bracket to give a 180° arc of travel.

● DATA PROCESSING

Reducing it all to a graph

BUSINESS is making increasing use of the computer's ability to look at large amounts of data and present it—in a few milliseconds—in the form of easily comprehended bar charts and graphs.

In recent months several leading equipment manufacturers have launched colour displays which make graphics still easier to grasp.

But there has been a gap between the clear display on the screen and the means of recording the picture in colour, inherent in the way in which a colour TV picture is built up contrasted with the way in which a colour print is produced.

Calcomp, now world leader in the manufacture of flat bed and other hard copy systems, is launching equipment able to produce 8 x 10 inch full colour prints from any red-green-blue (RGB) video data displayed on its self-contained monitor.

Model 31 is a microprocessor-controlled unit that can be used in conjunction with the Polaroid hand film processor to produce colour prints in a matter of two minutes. It will also turn out 8 x 10 inch transparency film or 35 mm colour slides—the former at a rate of 30 per hour and the latter at 100 per hour.

In use, Model 31 would be connected to the colour output of a raster-scan terminal such as those offered by Tecktronix, Sigma and Ramtek.

Prices start at around £7,500.

The introduction comes at a most opportune moment since Calcomp expects the UK colour graphics terminal market to expand from between 400 and 500 units at present to approaching 8,000 units by 1983. And in Europe there could be 10 times that number by then.

At the same time, user composition is changing. Whereas at the moment some 40 per cent of applications are in management information and graphics design areas, this figure is likely to rise to over 80 per cent by the target year.

The company anticipates rapid growth in Europe during the current year to better than $30m from $23m in 1979, against $75.5m world-wide.

With the backing of Sanders Associates, arrangements with whom are being concluded at the moment, and the proceeds from the sale of its memory division to Xerox, Calcomp's parent in the U.S. will have a fresh capital injection estimated at about $60m with which to consolidate its position in the rapidly growing graphics market.

Calcomp, Cory House, The Ring, Bracknell, Berks RG12 1ER. Bracknell 50211.

Collects and sends data

DESIGNED AND developed by UCSL Microsystems in the UK is a hand-held data communication device, M55, which the company says "heralds a concerted attack on Europe's U.S.-dominated portable data capture market."

Held in the palm of the hand, this device is aimed at all those who have to collect data of one kind or another in the course of their job—travelling salesmen, retail assistants responsible for shelf stocking, railway shunting yard men and many others.

During the day, the keyboard is used to record alphanumeric data using ten buttons each of which can represent one numeral or up to three letters, depending on depression of selector buttons. This data appears on a 16 character alphanumeric display.

At the day's end, the terminal is connected to a telephone (either by acoustic coupler or modem) and on depression of a transmit button, all the data in the terminal's memory (up to 16,000 characters) can be sent to a mainframe computer at company headquarters.

Terminals for a particular purpose will be programmed by the makers to suit the task.

While connected to headquarters, the terminal can then be used to receive data from the company computer or some other source, ranging from new price information to instructions for the following day.

The M55 can be powered from nickel cadmium or alkaline disposable batteries, or from the mains. Use of CMOS memory chips means that power consumption is kept down, and there is also a five second "on" period on the display.

Memory is in two sections: data and program. The former can range from 4,000 to 16,000 characters, the latter from 8,000 to 12,000. The user need only take the capacity he requires at purchase.

The terminal is claimed to be smaller and lighter than competitive devices and has a high-impact polycarbonate casing. The keyboard is customised to the user's tasks.

It will communicate with most mainframes and minicomputers and the recommended half-duplex protocol is said to ensure very accurate communications over the ordinary telephone network. Simplex facilities can be provided.

A number of peripheral units can be supplied such as bar code readers (including alphanumeric code C39), an optical character recognition unit and desk top or attache case printers.

The company says that its initial sales efforts will be directed towards salesmen order entry—a potential market which it puts at £500m in Europe. To cope with production needs, UCSL Microsystems is opening a new factory in Hertfordshire in the spring.

Order for trial terminals have already been received from three major consumer goods manufacturers and delivery is underway of 250 units to Vestric, the pharmaceutical wholesaler.

Overall price bracket is £700 to £1,100, a high programming content being involved.

● COMMUNICATION

Big capacity telephone exchange

PLESSEY reports that it has launched a high capacity version of its PDX electronic telephone exchange.

The PDX 2000 can deal with 300 exchange lines and provides up to 2,000 extensions: the company says that a number of leading companies have already shown interest in this PABX.

Previous maximum for the equipment was 800 extensions and it has, says Plessey, captured a major part of the British market for private electronic exchanges between 100 and 800 lines since it was launched two years ago.

The company says that the latest version is part of a £10m development programme for the exchange which will take it ultimately to 4,000 extensions.

So far, 100 PDXs have been installed in the UK and the total order book for the product is in excess of £23m.

● HANDLING

Lifting and shifting sheet glass

ORIGINALLY developed for use in its own works and now offered for sale to the trade is a new device for handling sheet glass from James Clark and Eaton, Southern Industrial Area, Bracknell (0344 24733).

This handling aid is called the Mark II Rotating Glass Grab and is designed to handle a pack of crated or uncrated sheet or float glass up to a pack thickness of 230 mm. It will accept glass within a minimum size of 1580 x 800 mm and a maximum of 3100 x 1530 mm, but can be modified to handle other glass sizes, provided that they are within the safe working load of 2.5 tonnes.

Constructed of hollow steel section, the grab combines strength and low nett weight of 250 kg which greatly reduces "swing" effect during loading and unloading.

It is said to be designed for simple operations under all conditions and is normally hung from a 5 tonne crane hook, although other means of suspension can be adapted to suit particular circumstances.

When loaded on the grab, the glass rests at an angle of 4½ degrees to the vertical, an arrangement which allows the material to be placed on an "A" frame at the angle of the rack—this reduces to a minimum the amount of man-handling required when loading or off loading glass.

Adjustment to accept varying widths and lengths within its dimensional limits is easily carried out by means of two hand wheels which set the bottom feet to the required width and length. Setting is indicated by a digital reading and a third hand wheel brings the top arms down to clamp the glass pack in position.

● FISHING

Longer time at sea for trawlers

LOOKING like a North Sea exploration vessel, a floating base for trawler operations is being studied in France by Bertin.

The aim is to improve trawler efficiency, cut fuel consumption, and improve working conditions.

Distant fishing grounds frequently demand a 15 day-rotation including 6 days' sailing (from the harbour to the grounds and return), 6 days' effective fishing and 3 days in the home port.

A floating base used as a support unit for a number of trawlers would allow for 5 days' fishing, 1 day sailing and 1 day in the docks—which is a much more economical programme.

The floating base designed by Bertin will be able to offer physical shelter to 4 to 6 trawlers and 1 cargo ship at the same time.

Equipment on the base would include servicing machines for the trawlers, fuel supplies, spare fishing equipment, food and water, ice production plant and fish processing plants (deep freezing, canning, flour production, etc.).

A shuttle service would be provided between the floating factory ship and the home port.

Bertin, BP No. 3, 78370 Plaisir, France.

● BAKING

Suitable for many pastry products

HOT AIR circulation and heat radiation make for even and controllable baking, says Meincke, Danish manufacturer of turbo-tunnel ovens, which are now being marketed here by European Process Plant, 175 High Street, Banstead, Surrey (Burgh Heath 52988).

They can be heated by gas, oil or electricity for producing a wide range of pastry products including sweet and savoury pies in foil or tins, cup cakes, swiss rolls and biscuits and its specially low mass construction means that quick temperature changes are possible enabling rapid changes in production to be accomplished.

Each oven is built in two-metre sections either 800, 1,000 or 1,200 mm wide, supplied to the bakery insulated to a thickness of 200 mm, painted and internally complete for rapid on-site assembly.

Both steel band conveyor and wire mesh belt are available with band cleaner and automatic steering, tension and speed adjustment and each section of the oven incorporates its own cleaning shutter. Standard equipment includes vapour exhaust and insulated extraction flues.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Conditions of sale

Further to your reply under Liquidation and Ownership (August 22) regarding title in goods supplied to a company which subsequently went into liquidation. We ourselves have recently been in this situation. Our standard terms of quotation have a clause stating as follows. "*Title in goods shall pass to the* customer as and when the company has received payment in full from the customer." These conditions of sale also appear on all our invoices and all our delivery notes. In June last year we supplied goods to a regular customer against one of their official orders for subsequent installation in a school which was being built by a Local Authority in this area. the company had a receiver appointed by the bank and we subsequently made claims against the County Council and against the customer. Both the County Council and the receiver state that as the main contractor, to whom our own customer was a nominated sub-contractor, was not aware of our trading conditions we would have no claim. There was nothing in our customer's order in any way negating or qualifying our terms. It is still our opinion that, in these circumstances, the title of *goods remain our company's and* we are entitled to receive payment from our customer. What, please, is your view?

We agree that in the case which you describe your printed conditions of sale should prevail. Unfortunately we do not have your standard invoice but the term quoted by you should suffice to keep the property in your company until the goods are paid for.

Advantage of partnership

I am contemplating setting up my own consultancy business and would like to know the basic tax advantage of forming a partnership as opposed to a limited company.

Our turnover is not anticipated to be over £7,000 this *fiscal year and most of this will* originate from fees paid by British firms for services wholly performed overseas. Is the present 25 per cent or 100 per cent tax relief on overseas earnings applicable in this case of income to the partnership?

Finally, could you recommend a reference book covering taxation of partnerships?

No doubt you saw the article by Eamonn Fingleton last May 5 headed "A partnership for tomorrow's men." If you missed it, our Back Numbers department could probably supply a copy of that day's FT by post.

Two books which may interest you particularly are:

Partnership Taxation, by Edward E. Ray (2nd edition, 1978) published by HFL at £10 (ISBN 0 372 30015 4):

The Law of Partnership Taxation, by Philip Lawton and others (2nd edition, 1979), published by Oyez at £18 (ISBN 0 851 20376 0).

As a first step, you could ask your local tax inspector's office for a copy of the free booklet IR28 (*Starting in Business*)

Twenty-five per cent relief is available against Schedule D case II assessments (including an individual partner's deemed *share of a partnership assessment*) under section 27 of, and schedule 4 to, the Finance Act 1978 if more than 29 qualifying days have been spent outside the UK in the year of assessment (as distinct from the basis year) but the rules are complex and arbitrary.

We recommend that you seek professional advice at a fairly early stage, because selfhelp in this field can often prove a false economy.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Japanese tractors set to plough into Europe

BY CHARLES SMITH IN TOKYO

ONE OF the latest Western industries to feel the onslaught of Japanese competition is agricultural machinery, and tractors in particular. Behind the new challenge are several companies, particularly the little-known Kubota.

Kubota shares with giants *like Mitsubishi the honour of* unusual age: 90 this year. But it is remarkable on several more substantial counts. Not only is it diversified to an unusual degree, but its president rejects the copying of other companies' products as basically bad business, and claims to be going out of his way to avoid starting a head-on war with the tractor makers of Europe and the U.S.

"When we think about diversification it seems to be a natural result of our history," says Keitaro Hiro, the former schoolmaster who took over eight years ago as Kubota's president. "The Japanese market was limited and small in our early days, so to grow we had to diversify." But it has not diversified at random. The 3,000-odd products which are being turned out today by Kubota's 17,000 strong workforce can all trace their ancestry back to Kubota's origins in a small casting shop in Osaka—even though the products range from bath tubs to nuclear power station components and from water purification equipment to tractors.

Stagnating demand

Mr. Hiro explains that Kubota moved first from making what he describes as "primitive castings" into the manufacture of engine components, and then on to the production of complete engines. From being an engine manufacturer pure and simple Kubota became, in the decade *after the end of World War II*, Japan's top manufacturer of agricultural machinery and, in 1960, the first Japanese company to produce a four-wheeled tractor.

In the early 1970s, worried by the prospect that the Government's policy of reducing rice production would mean a stagnating domestic demand for tractors, Kubota decided to enter the world tractor market. It did this by constructing what was and is still the world's most highly automated tractor plant (at Tsukuba, north of Tokyo). The plant produces 5,000 machines per month with a labour force of 500 people and supplies tractors in the small *to medium range* (15 to 42 horse power) to the U.S. and European markets.

Tractors and other kinds of agricultural machinery now account for nearly 45 per cent of Kubota's annual sales of over Y500bn (about $2.1bn). But the move from primitive castings to highly automated tractor manufacture was not the only direction in which Kubota diversified. The company also developed from being a manufacturer of cast iron pipes into integrated pipe production (in other words into making virtually every type of pipe required in the Japanese domestic market). Its pipe business led into the field of water treatment and purification equipment where Kubota today ranks as one of the top Japanese manufacturers.

It also led, via concrete and asbestos pipes, into the field of building equipment. From there it was a short journey to the manufacture of pre-fabricated houses and the production of domestic items such as bath-tubs.

Yet another route took it into the weighing machine business. At first, the company made simple mechanical weighing machines, but the need to offer a comprehensive range of pro*ducts soon involved it in digital* scales involving electronics. The expertise acquired in this way led naturally to the production of vending machines.

The wide variety of Kubota's products ensured it against the worst effects of the post-1973 recession when some more narrowly-based Japanese manufacturers found themselves in serious difficulties.

At the same time the management of such a highly diversified company brings its own problems.

An obvious one is how to *decide* which products to make and which not to make out of the options available. In tackling this question Hiro says he "draws on the accumulated experience of the company." More correctly, he rules out copying other company's products as an acceptable means of diversification and says every new product should be linked in some way to something which *Kubota is already producing.*

Hiro objects to copying, not on moral grounds but because in his view, it nearly always turns out to be bad business.

He cites the example of a Japanese company which rushed into digital watch manufacturing by purchasing American technology ahead of established Japanese watch manufacturers such as Seiko and Citizen. Hiro himself advised the president of the company concerned not to make the move into watchmaking (an area of which it had no previous experience). He was proved right when the company

The second main problem posed by diversification is that of creating a suitable management structure, Hiro says. His solution to the problem has been to organise Kubota into six main business divisions (five product-oriented and one devoted to international operations) superimposed on a further 19 specialised sub-divisions. Each *of the six main divisions has its* own research and marketing department.

Hiro says that all of the sub-divisions are now operating well above breakeven, although there are wide differences of profitability between them. Managers of unprofitable divisions (apart from being investigated by the centre) are liable to have their annual bonuses suspended until they improve *their result: this would be done* either by cutting costs or by thinking up new and more profitable products.

What Hiro is not prepared to do—no matter how badly a division performs—is to close it down and dismiss its workers. Managers who lay off employees, he says, are admitting their own incompetence and cannot expect loyalty from their workforce.

Consortium to tender

Kubota's highly *diversified structure means that it does not* fit naturally into any of the big Japanese business groups (which are, in essence, "families" of companies each devoted to one or two main lines of business).

Kubota is actually related to two groups. It has close links with Fuji Bank and with the Fuyo Group of companies whose common link is a high degree of dependence on Fuji Bank financing.

Hiro, however, denies that the company is a full member of the Fuyo Group and claims an almost equally close association with the Sumitomo Group. When the Sumitomo Group formed a consortium to tender for the new Kansai international airport to be built in South West Japan, Kubota was invited to join, he points out.

Sumitomo Bank and Fuji Bank are the top two shareholders in Kubota, each owning around 7 per cent of its equity. Hiro likes to keep their stake in the company as closely balanced as possible.

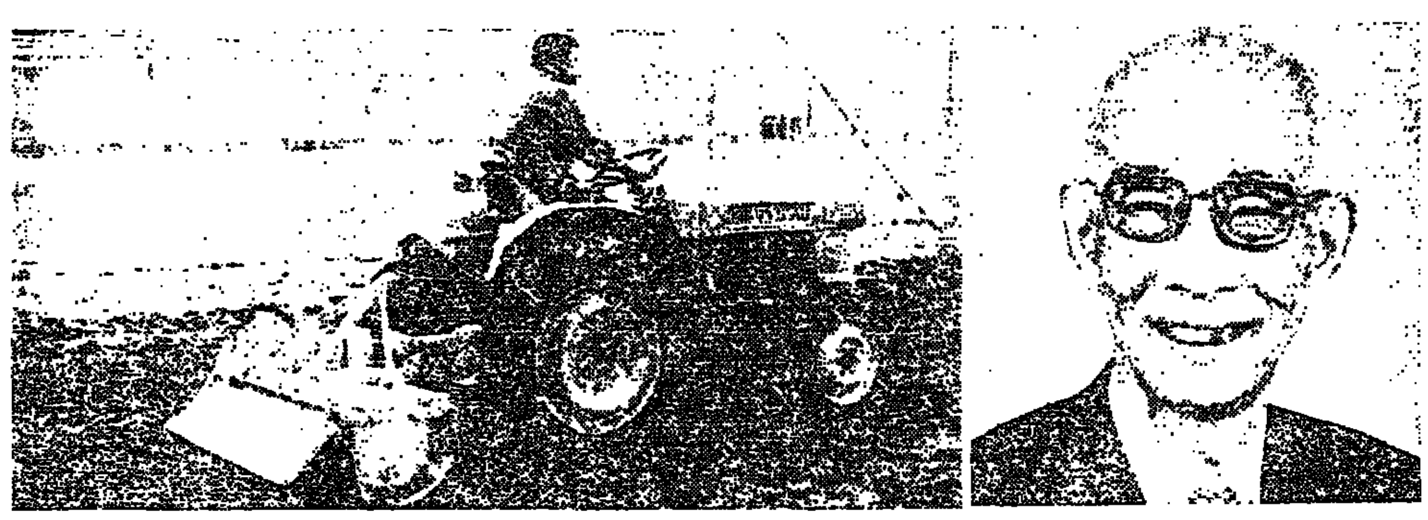
A particular advantage of Kubota's diversification is that the company is less vulnerable to barriers against Japanese exports than some of its more single-minded rivals. Hiro says it is "meaningless" to talk of a desirable export ratio for a company whose goods are sold in 20 to 30 different major markets.

Export dependence of individual Kubota products ranges from over 50 *per cent* for some types of industrial machinery to zero for certain types of building materials. Overall, however, Mr. Hiro hazards the cautious guess that eventually the company might sell 30 per cent of its output abroad.

Exporting tractors is a key activity for Kubota, and might seem likely to bring the company into conflict with U.S. and European tractor manufac*turers, which had dominated* world markets before Kubota appeared on the scene. Hiro, denies, however, that Japan's (or at least Kubota's) tractor exports will repeat the history of its car exports. Kubota only exports small- to medium-sized tractors which meet a different kind of demand from that being *served* by the leading Western manufacturers. "I have decided not to export tractors above 70 hp." says Hiro, "precisely because I do not want to become involved in conflict with the Western manufacturers."

Hiro's determination not to start a war with Western tractor manufacturers is in line with this overall business strategy of "doing things which other companies are not doing." The strategy breaks down when Kubota finds itself being copied by Japanese rivals (something that has recently happened with small tractor exports). Hiro's attitude to this is characteristically philosophical.

Kubota's market share in tractors was almost bound to fall from the 40 per cent it held some years ago he says. It did in fact fall as low as 32 per cent when a dozen or so other makers (many of them belonging to the big business groups) plunged into the market. It is now rising again, and Hiro says he is pretty sure *that in a year* or two it will be back to 40 per cent.



Keitaro Hiro, president of Kubota (right) denies that his tractor exports will follow those of Japan's motor industry

BREAKDOWN OF KUBOTA'S SALES FOR THE HALF-YEAR APRIL - OCTOBER 1979

	%	bn.yen
Agricultural machinery	43.8	110.7
Pipes	27.8	70.1
Industrial machinery	8.9	22.5
Housing & related products	7.8	19.6
Castings	7.2	18.1
Environmental equipment	4.5	11.4
Total	100	252.4

LOMBARD

Go north and cheer up

BY GEOFFREY OWEN

THESE DAYS virtually all the news about British industry which reaches as far south as London is bad. A series of factory closures in Clydeside, Merseyside and even the once-buoyant Midlands provides ample material for the gloom-mongering which goes on every day at the luncheon tables of Whitehall and the City. De-industrialisation *plus* the micro-chip will surely turn those unknown tracts north of Watford into a wasteland.

New generation

Yet there is another side to British industry which, on the well-known principle that good news is not news, is rarely written about or talked about. During the last few months I have visited a number of plants in the Midlands, the North of England and Scotland which present a different picture. While I could not claim that these particular companies are typical of British industry, I would be surprised if they are totally untypical. What I learnt from them suggests that certain rather interesting and encouraging trends are under way which people in dismal London ought to be aware of.

The first point is that a new generation of managers is taking over control of large parts of industry. These are men in their forties whose enthusiasm, dedication and ability make an immediate impact on the visitor—and, more important, on their colleagues and subordinates. I am not suggesting for one moment that men in their fifties or sixties are incompetent or incapable of inspiring loyalty and enthusiasm. I am simply drawing attention to the fact that, in the companies I visited, there is a sense of urgency and dynamism which owes something to the youth of the men holding the key positions.

Secondly, they are actually doing the things to improve their businesses which have been talked about for the last 20 years in a never-ending stream of "Little Neddy" reports, newspaper articles and Ministerial speeches. They are putting a great deal of effort and money into product development. They are cutting out unnecessary variety in their product range and concentrating on the areas where they are strong. They are investing in new machine tools and rearranging their manufacturing facilities to make them more manageable and more efficient. They are judging themselves continuously against the best of their international competitors. Conscious of the slow growth of the U.K. economy, they are redoubling their efforts to make themselves more international, with a particular focus on North America.

The impact on a company of pushing up the export percentage from 25 per cent of production to around 50 or 60 per cent can be profound. It forces a change in traditional attitudes towards product design, tendering, production control and most other aspects of the business. That change is now under way.

Thirdly, they waste little time moaning about their problems. Of course the strength of the pound, especially in relation to the dollar and the yen, presents them with difficult commercial decisions. Sales breakthroughs which they achieved a couple of years ago when the pound was lower are now in jeopardy. Should they persist with unremunerative export business for the sake of long-term market development? How long can the financial position of the company stand it? Yet their general reaction to the strength of sterling is essentially sound. It is to look even harder at the product and at how it is manufactured, seeking new ways of squeezing out unnecessary costs. Moving up-market to make the product less price-sensitive is more of a theoretical than a realistic option. Most products are price-sensitive to some degree. The target must be to match the costs of the best-managed foreign competitor.

Shorter lunches

Is the regeneration of British industry going on without anyone noticing it? If it is, it does not appear to have a great deal to do with the change of government, at least directly. Among the many differences with London is the fact that managers in the Midlands and the North are too busy to worry very much about what is going on in Whitehall or Westminster—or even the City; that is why their lunches are so much shorter. Yet these are the men, rarely seen at CBI meetings or in TV interviews, who are remaking British industry. Gloom about de-industrialisation is premature.

In praise of the elegant snowflake

GARDENS TODAY

BY ROBIN LANE FOX

EVERYBODY knows something about the snowdrop. You do not have to be a gardener to recognise it or to admire the harmony of its grey-green leaf and white flower. There are other varieties which arouse strong passions, not least the rarities with yellow flowers. There are snowdrop clubs for the enthusiast where you can sense the professional rivalry in the air.

I prefer the single varieties to the double flowered ones, though doubles have always settled more happily in gardens where I tried to build up colonies.

Remember that snowdrops grow far more readily if you order them in the next month or so while they are still in leaf. They are much more expensive at this stage, but they give you better results than a mixed lot of dry bulbs ordered in the autumn. The expense is worth while. Owners of a good clump, should split it now while it is visible and healthy. Snowdrops can be spread more widely while still in flower and they do not object to the move.

While we all know snowdrops, very few people bother with snowflakes. This is a shame, as the snowflake is a splendid flower, natural to Britain and as elegant as its name. Its varieties have a long season, spanning spring and autumn, and its flowers are exquisite.

A clump in full flower can *detain you for some time as you* appreciate the combination of green and white, the shape of the flower — like a fashionable American lampshade—and the angle at which it is held. The botanical name is *Leucoium*, meaning "white violet" in Greek. The name is old and traditional, as old as Tudor botanists and their random borrowings from the classics.

There is a problem, of course, about these classical plant names, for their first Greek users, so sensitive to other distinctions in nature, were liable to call very different plants by the same name. Their *Ion*, what we call violet, was also stretched, I think, to cover relations of our wallflower. The *snowflake first received its* name, I suppose, because the flowers of some varieties would resemble a violet, if you turned them upside down.

There is a preliminary difficulty. As in life, so in the garden: where and why do you draw the line? At first, snowdrops and snowflakes were classed together by naturalists who knew the snowflakes in Britain's woods and Europe's sub-alpine meadows. Then, the great Linnaeus split them and we are now supposed to believe that snowflakes have petals of equal length, whereas snowdrops have three long ones in the outer layer of the flowers and three short ones in the inner tube round the sexual parts.

There is at least one snowdrop which breaks the rule, but rules are allowed exemptions and the families are still distinct. It is worth observing the differences when you look at the flowers in a garden. They are yet another of those small variations of nature which we buy because of their impression of beauty and form to the eye.

At this time of year, I look forward to the snowflakes because one of them has the oddest habit. The so-called summer snowflake or *Leucoium aestiuum* flowers in spring, opening its white flowers to show a green tip to each petal in late March or April. Its leaves are another matter. They show through the ground in December and early January and are one of the earliest reminders that spring will one day rescue us all from the cold and rain.

I know no other plant with leaves appearing so far in advance of the flower stems or any other native flower whose presence in England is so often overlooked. I cannot explain why this snowflake has such a wide range of homes, stretching from Ireland to the Caucasus. That, too, is a wonder of nature.

In England, it is best known in Berkshire along the upper Thames and beside the River Loddon where it is worth a visit. Its siting there is a clue to its taste in the garden. A riverside plant, it likes a good, damp soil, something which these recent rains bring within reach of us all. Shade or sun are less important *than damp round its* roots.

It is well able to cope with competitors as it is surprisingly tall and tough. It grows up to two feet tall and sends up strong and bright green leaves. I have seen clumps of it in light Berkshire woodland and have often wished that I had a small patch of hazel trees or alders in a garden beneath which I could mass it with good forms of Christmas Rose. The bulbs are like the brown bulbs of a narcissus and increase quickly when happy. Twenty would become a hundred over five years. The flowers hang in twos and threes above the long leaves on stems which arch prettily.

As long as you do not expect the summer snowflake to flower in summer and do not allow it to dry out, you will be delighted by it. The form called Gravetye has larger flowers if true to its name. It is the best and can be bought locally from Ingwersens of Gravetye, East Grinstead, Sussex.

The summer snowflake's English companion is *Leucoium vernum*, the spring snowflake. There are a very few woods where it could perhaps be argued that this, too, is a wild flower, but it is probably best seen as an escape from gardens. I am very fond of it indeed. It will be flowering within a month and has such distinctive six-petalled flowers that no eye could miss it.

These flowers are usually spotted with green at the tips of petals which hang like a cafe lampshade. They are big and well placed on eight-inch stems above their leaves, standing out more clearly than the summer variety. I am particularly fond of their leaves which have a glossy green lustre, setting off the flower to perfection. The flowers are slightly scented and sometimes show yellow spots, or none, instead of the usual green.

If I had room only for one, I would grow this because it is bolder and not so tall. Frost is no danger, but it must not be in a dry soil and is certainly best planted when still in leaf. It is splendid in clumps under trees among aconites. Otherwise, I like groups of it as an edging. This wet winter will please it.

These two forms, the spring and summer, are distinguished by their hollow flower stems, a point which strikes you when you pick a bunch and bring it to your desk for observation. There are seven other varieties, all with solid stems and all with great interest, though best in pots under glass as none of them is fully hardy or tough. A pink-flowered form for the autumn is sold as *Roseum* and sometimes settles outdoors, but it is a risky plant which you may lose at once. It is safer as a pot-plant for an unheated house. *Like all the other* snowflakes, it grows well on lime soils.

The English varieties are the best for gardeners, and as they come into flower over the next two months, I do urge you to remember them and order at once from an alpine nursery or small bulb specialist. They will sell you pot-grown stock, already in leaf. Though not so cheap, it is far more successful: the right foundation for a larger clump of these easily increased native flowers. Snowflakes are among the most beautiful wild flowers of all. It is high time that gardeners prized them as much as their favoured and familiar snowdrops.

Rimell's trio may pay dividends

RACING

BY DOMINIC WIGAN

FRED RIMELL has a remarkable "strike rate" at Haydock and it will pay backers to make a close inspection of the prospects of Brian's Venture, Royal Frolic and Royal Bowman on the Lancashire course this afternoon.

Brian's Venture and Royal Bowman, who go respectively for the two divisions of the Golborne Novices Hurdle, are to be ridden by Peter Scudamore on whom a level stake of £1 on all his previous mounts this term is currently showing a profit of around £70 pre tax.

At Nottingham for a division of the Annesley Novices Hurdle, Brian's Venture looked all set to justify favouritism until weakening in the closing stages to be caught and passed by both Ten Pointer and Bedlam Hill.

However, taking the view that Brian's Venture may still have been in need of a race then, intend giving him another chance in today's equally testing conditions over a stiffer course. Of his opponents the two I fear most are Majestic Maharaj's Ayr conqueror Little Bay and the Bishop Auckland-trained Graham Dieu.

If Royal Bowman, a three quarters of a length second to Desert Hero at Kempton last time out, is to land the second division of the Golborne Novices Hurdle, he must overcome Brave Fellow and Schumann, both of whom boast useful form. The Jimmy Fitzgerald-trained Brave Fellow did well to finish only four lengths adrift of Red Cleric at Doncaster recently, and experience may give him the edge today. Schumann won a modest event at Sedgefield on January 22.

Although I have a high regard for Rambling Jack, currently second favourite behind Zongalero for the National, I rather doubt him being good enough to give well over a stone to the highly rated Irish import, The Vintner, in the Haydock Park National Trial Stakes.

HAYDOCK

12.45—Brian's Venture*
1.15—Heronslea
1.45—Chacao
2.15—Royal Frolic
2.45—The Vintner***
3.15—Park Row
3.45—Brave Fellow**

TV Radio

† Indicates programmes in black and white.

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.05 For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Playboard. 2.01 For Schools, Colleges. 3.25 Children's Wardrobe. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Pixie and Dixie. 4.25 Jackanory. 4.40 Take Hart. 5.00 John Craven's Newsround. 5.05 God's Wonderful Railway. 5.35 The Perishers.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.50 Wednesday Film: "The Incredible Rocky Mountain Race."
8.25 The Two Ronnies.
9.00 News.
9.25 Graf Spee.
10.15 Sportsnight.
11.15 News Headlines.
11.17 Parkinson with guests.
12.07 am Weather / Regional News.

All Regions as BBC 1 except as follows:—

Wales — 11.02-11.22 am I Ysgolion. 5.05 Crystal Tipps. 5.10-5.40 Bilidowcar. 5.55-6.20 Wales Today. 6.50 Heddiw. 7.05 Young Scientists of the Year 1980. 7.35-8.25 The Variety Club Awards from the Savoy Hotel, London. 12.07 am News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 12.07 am News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northen Ireland News. 5.55-6.20 Scene Around Six. 12.07 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

10.20 am Gharbar.
11.00 Play School (as BBC 1 3.55 pm).
†5.35 Laurel and Hardy in "Helpmates."
5.55 Pride and Prejudice.
6.50 The Master Game.
7.20 Mid-evening News.
7.30 Cricket: Australia v England (highlights).
8.00 Mr. Smith's Indoor Garden.
8.25 Midweek Musical: "Mame," starring Lucille Ball and Robert Preston.
10.15 Isaac Singer's Nightmare and Mrs. Pupko's Beard.
10.45 Newsnight.
11.30 Darts: Embassy World Professional Darts Championship.

LONDON

9.30 am Schools Programmes. 12.00 The Adventures of Rupert Bear. 12.10 pm Rainbow. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 The Squirrels. 2.00 After Noon Plus. 2.45 The Outsiders. 3.45 Hobson's Choice. 4.15 The Sooty Show. 4.45 The Book Tower. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 The Benny Hill Show.
9.00 The Pump.
10.00 News.
10.30 The Moonies.
11.30 Barnaby Jones.
12.25 am Close: Robert Rietty reads from Nahman of Bratslav.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 1.30 Winners and Losers. 2.45 Houseparty. 3.15 Money-Go-Round. 6.00 About Anglia. 11.30 Celebrity Concert with singer Diahann Carroll. 12.25 am The Big Question.

ATV

12.30 pm Heritage in Danger. 1.20 ATV Newsdesk. 1.30 Stars on Ice. 2.45 Family. 6.00 ATV Today. 11.30 ATV Newsdesk. 11.35 1980 Butlin's Grand Masters Darts Championships.

BORDER

1.20 pm Border News. 1.30 Wildlife Cinema. 2.45 Houseparty. 3.15 Money-Go-Round. 6.00 Lookaround Wednesday. 12.00 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News. What's On Where, and Weather. 2.45 The Electric Theatre Show. 3.15 Money-Go-Round. 6.00 Report at Six. 10.28 Channel Late News. 11.30 George Hamilton IV. 11.55 Epilogue followed by News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News Headlines. 1.30 The Rolf Harris Show. 2.50 Houseparty. 3.20 Money-Go-Round. 6.00 North Tonight and Area Weather Forecast. 11.30 Reflections. 11.35 Living and Growing. 12.05 am Police Surgeon. 12.30 North Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 1.30 Stars on Ice. 2.00 Live from Two. 2.50 Money-Go-Round. 3.20 The Wild, Wild World of Animals. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Happy Days. 11.30 Bluey.

HTV

1.20 pm Report West Headlines. 1.30 Stars on Ice. 2.45 The Love Boat. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Report West. 6.30 Three Little Words. 11.30 Fireside Theatre.
Service except: 1.20 pm Penawdau—
HTV Cymru/Wales—As HTV West/HTV General Service except: 1.20 pm *Penawdau Newyddion Y Dydd*. 1.25-1.30 Report Wales Headlines. 4.45-5.15 Ni a NHw. 6.00 Y Dydd. 6.15-6.30 Report Wales.

SCOTTISH

1.20 pm News and Road and Weather. 1.30 One in a Hundred. 2.45 The New Avengers. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Emmerdale Farm. 10.30 Open to Question. 1.00 Heritage in Danger. 11.30 Late Call. 11.40 1980 Butlin's Grand Masters Darts Championship. 12.05 am George Hamilton IV.

SOUTHERN

1.20 pm Southern News. 1.30 Stars on Ice. 2.45 Houseparty. 3.15 Money-Go-Round. 5.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Day By Day. 6.35 Scene Midweek (South-East area only). 11.30 Southern News Extra. 11.35 Family.

TYNE TEES

9.20 am The Good Word, followed by North-East News Headlines. 1.20 pm North-East News, and Where the Jobs Are. 2.45 Let the Music Take You. 3.15 Money-Go-Round. 6.00 North-East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 11.35 The New Avengers. 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 1.30 Stars on Ice. 2.45 Money-Go-Round. 3.15 How's Your Father? 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.29 Ulster Weather. 11.30 Soap. 12.00 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.45 The Electric Theatre Show. 3.15 Money-Go-Round. 6.00 Westward Diary. 10.28 Westward Late News. 11.30 George Hamilton IV. 11.55 Faith For Life. 12.00 West Country Weather and Shipping Forecast.

YORKSHIRE

10.35 am Time of the Hawks. 11.04 For Schools (continued). 1.20 pm Calendar News. 1.30 Stars on Ice. 2.45 Three Little Words. 3.15 Money-Go-Round. 5.45 News at 5.45. 6.00 Calendar (Emley Moor and Belmont editions). 11.30 Have Girls, Will Travel.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92.5vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Radio 1 Mailbag. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 8.02 pm Listen to the Band (S). 8.45 Alan Dell with The Dance *Band Days*. 9.15 The Magic of the Musicals (S). 9.55 With Radio 2. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Cricket: Australia v. England. 5.04 Steve Jones (S) including 6.03, 7.03 Cricket and 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.03 Cricket. 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Colin Berry (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S) (continued). 6.03 John Dunn (S). 8.02 International Soccer Special. 9.30 The Magic of the Musicals (S) (joins VHF). 9.55 Sports Desk. 10.02 Rolf's Walkabout. 10.30 Bernie Winters says Be My Guest. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You And The Night And The Music (S).

RADIO 3

6.00 am Test Match Special Australia v. England. 7.05 Weather. 7.10 News. 7.15 Your Midweek Choice, part 1 (S). 8.00 News. 8.05 Your Midweek Choice, part 2 (S). 9.00 News. 9.05 This Week's Composer: Berg (S). 10.00 London Studio Strings (S). 10.40 Music For Organ (S). 11.20 Midday Concert, part 1 (S). 11.50 Interval Reading. 11.55 Concert, part 2. 1.00 pm News. 1.05 Concert Hall (S). 2.05 Music Weekly (S). 2.55 All Across the U.S.A. 3.35 Bach: Partita No. 1 (S). 4.00 Fifty Years of British Music (S). 4.55 News. 5.00 Mainly For Pleasure (S). 7.00 Schubert song recital, part 1 (S). 7.40 Six Continents. 7.55 Schubert, part 2 (S). 8.45 Scientifically Speaking. 9.30 Music from America by Copland, Barber, Piston (S). 10.55 Melos Quartet of Stuttgart (S). 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Midweek with Russell Harty. 10.00 News. 10.05 Gardeners' Question Time. 10.30 Daily Service. 10.45 The Wooden Horse. 11.00 News. 11.05 Baker's Dozen. 12.00 News. 12.02 pm You And Yours. 12.27 Double Act. 12.55 Weather; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.00 Choral Evensong (S). 4.45 Short Story. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 On The Town in Aberdeen. 8.30 A Sideways Look At . . . 8.45 Analysis. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Give Or Take (S). 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today In Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 Showcase. 4.30 London News Desk. *5.35 Look, Stop, Listen. 7.03 Black Londoners.* 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

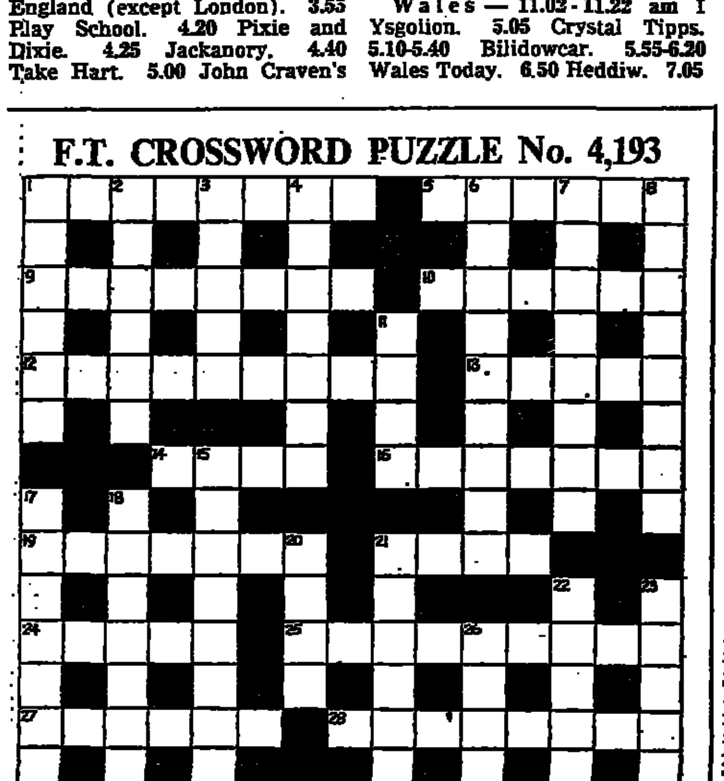
London Broadcasting

6.00 am AM with Bob Holness and Douglas Cameron. 10.00 The Brian Hayes Show. 12.00 LBC Reports. 8.00 pm Jazz After Eight—Keith Howell looks at Jazz Festivals in the coming year. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,193



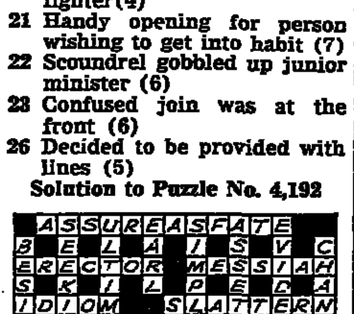
ACROSS

1 Follow organ newsman bent at the corners (3-5)
5 Piercing call for silence by stream (6)
9 Encloses £1,000 (8)
10 Enter quietly mistake by one Pole (4, 2)
12 Happening to get upper-class tea-break turn out (9)
13 Weak father runs into trouble (5)
14 Graduate on board catches fish (4)
16 Told off to be regarded (7)
19 Bird to accept without question (7)
21 Discomfort involved in teacher's job (4)
24 We'd no revolution to provide support for (5)
25 Call to recover (4, 5)
27 Quick job for a parson (6)
28 Check on those present at record bid (4, 4)
29 Be kind about ice (6)
30 Non-paying customer departed before boss (8)

DOWN

1 Club coachman (6)
2 State of Minnesota tree (6)
3 Notice last month becoming mature (5)
4 Close roads in such position (7)
6 Believe northern river could form spout (4, 5)
7 One member left with workers inserts (8)
8 Countrywoman into feminine letter (8)
11 Sound restriction at edge of pavement (4)
15 Discount money for expenses . . . (9)
17 . . . in addition to a toff since . . . (2, 4, 2)
18 . . . factory worker completed transfer (4, 4)
20 Village contacted by candle lighter (4)
21 Handy opening for person wishing to get into habit (7)
22 Scoundrel gobbled up junior minister (6)
23 Confused join was at the front (6)
26 Decided to be provided with lines (5)

Solution to Puzzle No. 4,192



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

CLUBS

ART GALLERIES

DUKE OF YORK'S. 836 5122. GLENDA JACKSON. ROSE. Red. price Prevs. from Feb. 20. Opens Feb. 28.

GARRICK. CC. 01-836 4601. Evgs. 8.00. (sharp). Fri. and Sat. 5.30 and 8.30. Gareth Hunt in DEATHTRAP.

GLOBE THEATRE. S. CC. 01-437 1592. Group sales 379 6061. Evgs. 8.00. Mat. Wed. 3.00. Sat. 5.0 and 8.15. Beryl Reid Barry Foster, Peter Bowles, Jan Waters in a new play by Peter Nichols BORN IN THE GARDENS. Directed by Clifford Williams.

GREENWICH THEATRE. S. CC. 858 7755. Evgs. 8.00. Mats. Sats. 2.30. LIBERTY HALL. A new play by Michael Frayn. "As merry a romp as I have seen for years." D. Tel. "A jolly evening with excellent performances." Times.

HAYMARKET. CC. 01-930 9832. Evenings 8.00. Wed. 2.30. Sat. 4.30 and 8.00. Gerald Harper, Kate O'Mara in the Sherlock Holmes Mystery THE CRUCIFER OF BLOOD by Paul Giovanni. LAST 4 WEEKS. ENDS MARCH 1.

HER MAJESTY'S THEATRE. 930 6606. Opening March 10. The Award winning Broadway Musical ON THE TWENTIETH CENTURY. Reduced price previews from March 10.

KING'S HEAD. 226 1916. Dnr. 7.00. Show 8. Estelle Kohler in SHAKESPEARE LADY. The Life and Times of Fanny Kemble.

LYRIC HAMMERSMITH. 01-741 2311. Prevs. from Ton't. Eves. 7.30. Opens Tues. at 7.00. Subs. Eves. 7.30. Thu. Mat. 2.30. Sat. 4.30 & 8.15.
COUNTRY LIFE
First London showing of Goldini's most delightful comedy. Directed by David Giles.
Special Event: Sun. Feb. 17 at 8.00. SMITH OF SMITHS. Timothy West as Sydney Smith, with Prunella Scales & Julian Glover.
LYRIC STUDIO: Eves. 8.00. Sat. 8.30. CITY DELIGHTS. A new Lyric revue. ". . . very funny . . ." F. Tms. Last Week!

LYRIC THEATRE. CC. 01-437 3686. Grp. Sales 379 6061. Evgs. 8.00. Wed. 3.00. Sat. 5.00 and 8.00. RICHARD BRIERS. PAUL EDDINGTON in MIDDLE AGE SPREAD. COMEDY OF THE YEAR. WEST END THEATRE AWARDS.

MAY FAIR. CC. 01-629 3036. Opens Tonight at 7.00. Subs. Mon.-Thurs. 8.00. Fri., Sat. 6.00. 8.45. SUSANNAH YORK. DANIEL MASSEY. DONALD PICKERING. Frances White in APPEARANCES by Simon Benmussa after Henry James.

NATIONAL THEATRE. S. CC. 928 2252. OLIVIER (open stage): Ton't., Tomor. 7.30 AMADEUS by Peter Shaffer. LYTTELTON (proscenium stage): Ton't. 7.45 low price prev. THEE AND ME a new play by Philip Martin. Tomor. 7.45 When We Are Married. COTTESLOE (small auditorium—all tkts. £2.50. Student Standby £1.20): Eugene O'Neill Season: Ton't., Tomor. 8.00. HUGHIE. Excellent cheap seats from 10.00 am day of perf. all 3 theatres. Car park. Restaurant 928 2033. Credit card bkgs. 928 3052.

OLD VIC. 928 1616. Abbey Theatre Company presents Cyril Cusack in A LIFE by Hugh Leonard, author of "Da." Feb. 4-15. Two weeks only, at 7.30 pm. Sponsored by Kerrygold and B & I Line and presented as part of "A Sense of Ireland" (London Festival of Arts).

PALACE. CC 01-437 6834. Mon.-Thurs. 8.00. Fri., Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Webber. Group sales 01-379 6061 or Freephone 2381.

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Evgs. 7.30. Mats. Wed. and Sat. 2.45. ANNIE. Group Sales Box Office 01-379 6061 or Freephone 2381.

WAREHOUSE, Donmar Theatre, Covent Garden. Box Office 836 6808. S. Royal Shakespeare Company. Today 2.00 & 7.30, tomor. 7.30 Brecht's THE CAUCASIAN CHALK CIRCLE (sold out).

WEMBLEY ARENA. 01-902 1234. Entirely new prodn. of the lavish HOLIDAY ON ICE. Tue. to Fri. 7.45 Mat. Weds. & Feb. 19, 21 at 3. Sats. 2, 5 & 8. Suns. 3 & 6.30. (No perf. Mon.). Children. & Senior Cits. half price. Pay at doors. Ample parking.

WHITEHALL. CC. 01-930 6692-7765. Mon. to Thurs. 8.00. Fri. and Sat. 6.10 and 8.30. IPI TOMBI. FIFTH GREAT YEAR. Transferred to the Astoria Theatre Feb. 20. Booking now.

WINDMILL. CC. 01-437 6312. Twice nightly at 8.00 and 10.00. Suns. 6.00 and 8.00. Paul Raymond presents RIP OFF. Hotter than ever for 1980. The erotic experience of the modern era. Fifth great year.

WYNDHAM'S. 836 3028. CC bkgs. 379 6565. Evgs. 8.00. Royal Shakespeare Company in PIAF. Pam Gem's play with songs about the legendary Piaf.

CRANE KALMAN GALLERY. 178, Brompton Rd., SW3. 584 7566. MARY NEWCOMB—Recent Work. Until 29 Feb. Mon.-Fri. 10-6; Sats. 10-4.

LEFEVRE GALLERY. 30, Bruton St., W1. 01-493 1572-3. 19th & 20th CENTURY PAINTINGS AND DRAWINGS on view Mon.-Fri. 10-5.

MALL GALLERIES. The Mall, SW1. CONTEMPORARY YUGOSLAV ART. Mon.-Fri. 10-5. Sats. 10-1. Until 14 Feb. Adm. Free.

MARLBOROUGH. 6, Albemarle St., W1. STEPHEN EDLICH. Recent paintings and collages. Mon.-Fri. 10-5.30. Sat. 10-12.30.

OMELL GALLERIES. 40, Albemarle St., Piccadilly, W1. FINE 20th CENTURY BRITISH EUROPEAN PAINTINGS. Many delightful subjects, including always GREAT SELECTION OF MARITIME PAINTINGS by outstanding Artists but at REALISTIC PRICES.

REDFERN GALLERY OSBERT LANCASTER A Retrospective Exhibition. February 6-27. 20, Cork Street, London, W1. Mon.-Fri. 10-5.30. Sats. 10-12.30.

SANDFORD GALLERY. Covent Garden, 1, Mercer Street, Long Acre, WC2. Mon.-Sat. 11-6. John Bratby, RA. 30 years retrospective. 270 works.

THE ARTS

Television

A series of hits and misses

by CHRIS DUNKLEY

The sheer quantity of series and serial drama on our three television channels is now remarkably large. In the last week I have watched *Pride And Prejudice* and *Company and Co* on BBC2; *Breakaway*, *Flesh And Blood*, *All Creatures Great And Small* on BBC1; and *Minder* (actually a week late, but preserved on a videocassette), *Heartland*, *Spoils Of War*, *Enemy At The Door*, *Hart To Hart*, *Chief of Detectives* and *Lou Grant* on ITV.

The last three are American imports, *Hart to Hart* and *Chief Of Detectives* being new to Britain, in name anyway, though not in ideas. Both are about crime and detection, the first featuring Robert Wagner and Stefanie Powers as millionaire husband and wife jetset investigators, an unoriginal formula which was introduced by an unremarkable "special" lasting for an unforgiveable 1¾ hours. There was one good moment in all that time when Natalie Wood, Wagner's real life wife, appeared fleetingly on a film set, dressed as a 19th century southern belle revealing in passing that she wasn't acting that day.

In *Chief of Detectives* the Americans must be catering for the last category of viewer not supplied with a wish-fulfilment cop investigator to model on. After male and female models, black, blind (*Longstreet*, remember?) young, old, athletic, and chair-bound (*Ironside*) we were even offered a short, fat, ugly one in *Cannon*. But *Chief of Detectives* really rings the changes: hero Earl Eischied is *tall*, fat and ugly. Unfortunately, he has to be seen to be fighting City Hall as well as crime in every episode, which makes for a stunning predictability in the plots.

Company and Co. seems to be saddled, bridled, and muzzled with an even larger set of restrictive prerequisites. Each episode has to show the two heroes and two heroines running a restaurant/nightclub, singing to the patrons (somebody apparently believes that Maria Aitken, Simon Williams and Philip Lowrie are rather good at this, since their song is featured at full length each week, whereas they are actually rather dreadful) and, above all, carrying out some highly involved confidence trick which, in the style of Robin Hood or The Saint, does good while doing wrong. It is a recipe which might have been expected to work well for one episode, though it hasn't yet, but the idea of a whole series seems bewilderingly wrong-headed. One suspects an attempt to get away from violence.

Enemy At The Door has spent much time, money and energy on dramtising the human problems involved in the Nazi occupation of the Channel Islands, an event which affected a tiny proportion of the catchment area of British television and which is scarcely worth a footnote in the history of the war. If, like me, you have an antipathy to all World War II fiction—perhaps owing to youthful saturation at the cinema—it will be an unwelcome choice of subject for even one series, let alone several. A few characters have an interesting verisimilitude when considered outside their immediate context (notably Alfred Burke's relatively nice Nazi, a good guy in a bad system) but it is not a series I have ever managed to enjoy.

Breakaway is run-of-the-mill Durbridge, which is saying quite a lot since there is still nobody who can match his ability to make the most mundane aspects of East Grinstead seem sinister. Yet watching Martin Jarvis answer the Trimphone in his flat surrounded by framed cigarette cards, I do wonder why the adrenalin doesn't race as it used to during the Paul Temple serials on radio. It surely was not only radio's terrific signature tune; perhaps it is that the quantity in the interim has made it seem rather same-y.

All of which is by way of showing that I do not believe, as some readers appear to have assumed after last week's column about rotten single plays, that all television drama series and serials are by contrast wonderful. It is just that there is a need to redress the critical balance, since the single play is invariably defended in terms of its best examples and exponents (*Cathy Come Home* and Ken Trodd for instance) while series and serials are denigrated in terms of their worst (*Crossroads* typically).

Something very similar happened on Sunday's *Look Here* on ITV in which *Cathy*—a film made 14 years ago—was yet again held up as an example of what we must defend. There was a noticeable lack, however, of anyone willing to extend the argument to many of today's single plays: nobody volunteered to explain why any of us should care tuppence if works such as this month's single play from John Osborne, *You're Not Watching Me Mummy*, were to disappear for ever from our screens.

Thora Hird and Bill Fraser in 'Flesh and Blood' — *Leonard Burt*

That is hardly surprising in view of Osborne's play but it does show up the almost mystical reverence for the single play for what it so often really is: special pleading which wraps the bad up with the good (such as *Billy*) and treats it all as sacrosanct. The sensible attitude surely is to applaud those works which are good and deplore those which are bad whether they happen to be single plays, serious or serials. And anyone doing that consistently during the last ten years will have found themselves deploring a remarkably large number of single plays and applauding a remarkably large number of series and serials.

The thing is that whereas the impressionistic, slice-of-life single plays so often fail to provide the satisfaction of a good short story, either in tight plot or vividly sketched character, series and serials frequently do achieve many of the satisfactions of the novel. Sometimes, of course, this is largely because they are adapted directly from novels, as is *Pride And Prejudice*, which goes from strength to strength. It might be argued that since this is a story concerned with television's three favourite preoccupations—class, money and heavily suppressed sex—it was a TV natural, but previous attempts, much less successful, argue otherwise. Only Mrs. Bennett and Mr. Collins seem a little two-dimensional and I suspect that a re-reading of the book might suggest that that is as much Jane Austen's fault as anyone's.

Dickens fanatics will doubtless consider blasphemous any suggestion that the characters created by television series can compare with the creations of their god, yet it seems to me that some stand up very well to the comparison. George Cole's crook Arthur, for instance, in Thames TV's *Minder* was a wonderfully rich character: a mixture of shrewdness and self delusion which was utterly original (though it did recall Cole's Flash Harry in the St. Trinian's films).

The press photographer Animal in *Lou Grant* with his realistically mixed background of flower power, Vietnam, drugs and the Watergate society, is tremendously strong, as is the initially unremarkable — even seemingly marginal — figure of editor, Charlie Hume.

Above all, among the examples presently on view John Finch's *Flesh and Blood* is peopled by an entire cast of characters who could have stepped from a novel by Dickens (who also wrote episodically, of course) or Bennett (who also used northern England industrial backgrounds) or Priestley who has a similar fondness for the extended family).

Perhaps Thora Hird's irritatingly loveable old granny does have rather too many quirks and foibles, and perhaps the sons do represent a bit too neatly various contrasting management styles which can be played off against dad (another fine performance from the admirable Bill Fraser who, now 71, suddenly seems to have started a new career as a straight actor) and undoubtedly Finch is too fond of the grandad-grandson axis.

Yet the concerns of his characters are the concerns of real people all around us as were those of Dickens. When Nigel Stock as the ageing trade unionist tells his more militant son "If you mean I won't help you take Labour Party back into wilderness we dragged it out of you're damned right," and Martyn Read as the son growls "When we have a socialist party that behaves like a socialist party I'll join it" the reek of reality hangs heavy in the air.

When the archivists of the next century are looking for television's equivalent of Dickensian observation, I suspect that they may find just as much to interest them in *Flesh and Blood* with its primary aim of entertainment as in *Cathy* with its dual aims of propaganda and drama.

St. John's, Smith Square

Melos Quartet

The musicianship of the Melos Quartet of Stuttgart is of the undemonstrative variety: they make a well-bred sound, without sharp emphases, readier to cultivate a pianissimo effect than to fan a fortissimo blaze. Radio 3 listeners may therefore have appreciated intimate details of their lunchtime performance of Berg's op. 3 Quartet on Monday better than one could do in St. John's. Berg's fraught harmonies are dense enough that bold gestures are really needed to mark out the progress of the music: much of the Melos reading seemed, in the hall, to be a pursuit of a private argument. Even the germinal opening flourish was rendered as a delicate shudder, and the most strident climaxes subsided very quickly. The grotesque elements in the music were firmly restrained. There was a fair degree of thoughtful intensity, but little drama.

They made Haydn's Quartet in D, op. 76 No. 5, speak more clearly. A consistently gentle, reasonable tone in the Allegretto did not conceal the purposefulness with which they unfolded the movement, and if their Largo sounded more like a steady Andante it had a full *cantabile* conviction. There was even something like high spirits in the final Presto—though it was not, of course, allowed to become an unbridled race. One might nonetheless suspect that Haydn spread out a broader canvas than the Melos performance was designed to fill.

There was time at the end for a savoury addition to the programme, Stravinsky's Three Pieces of 1914. The first of them, which is surely a mechanical fairground snippet, was surprisingly aggressive and brusque; the second and third were explored with great seriousness, and revealed unwonted emotional power. The string-writing bloomed beautifully in these players' hands. Perhaps after all Stravinsky's ear was better attuned to the quartet-medium than is commonly supposed. The instinctive distance between Stravinsky's buzzing irony and the sweet sobriety of the Melos style set up a true creative tension here, and a whole unfamiliar side of the music came to light.

DAVID MURRAY

Purcell Room

Lynda Russell

The 1977 Ferrier prize-winner is no newcomer to the South Bank, and must not be treated as one: Monday's recital boasted an impressively full measure of vocal accomplishment, and was clearly the work of a young but already seasoned professional. It was, indeed, a most attractive display —a well-schooled, unfailingly true high soprano undertaking a substantial programme full of concealed (and not so concealed) danger spots and succumbing to none of them.

Two Scarlatti arias, the tone prettily pointed, the top notes darting into place, the florid passages of "Sussurando il venticello" light but definite, were no warming-up exercise. Miss Russell's way with Schubert and that of her admirably assured pianist, Andrew Ball, is on this evidence unemphatically lyrical. The shape and dimensions of the second "Suleika" song and of "Frühlingsglaube" were discovered with a most taking naturalness: if at one or two points elsewhere in the group the lines seemed to be drawn a touch too lightly, that was still infinitely preferable to the jejune kind of "pointmaking" sometimes attempted by young singers still under the influence of dangerous modern models.

The singing in four early Debussy songs (one of them the relatively little-known first of two "Clair de lune" settings) was at once pure, alert, and carefully styled — so much so that it was a little difficult to pin down the faint sensation of "something's missing." Perhaps it is that Miss Russell's platform persona, calm and poised though it be, lacks the full engagement with an audience that ought to go with such confident vocalisation. It was a treat to hear a Strauss selection so musical in delivery —and the voice, as befits a Beethoven Marzelline also capable of singing the Queen of Night, opens out gleamingly on high, even hinting at Zerbinetta potentialities; yet in "Amor" the effect was pretty rather than forward and teasing. The pleasure of Miss Russell's recitals will be even more abundant when the artist has filled out to match the singer.

MAX LOPPERT

Old Vic

A Life

by MICHAEL COVENEY

The Abbey Theatre opened the "Sense of Ireland" Festival on Monday with the Hugh Leonard play seen at last year's Dublin Festival. Delving deeper into the Dalkey archives that provided the background for an earlier piece, *Da*, Mr. Leonard gives us the story of two married couples in a series of cleverly interwoven scenes that mingle the reflections of old age with the aspirations of youth.

The device is most reverberatively used to chart the disillusionment of Drumm, a peripheral character in *Da*, whose empty life in the Civil Service, after a brief political flourish in support of de Valera, is thrown into perspective by the news that he has six months to live.

Although Cyril Cusack seemed oddly ill at ease as Drumm, he nonetheless conveys a sharp sense of regret that is echoed in the gradual revelation of how his vulgar friend, Kearns ("You can say what you like, but I'm a great character"), stole his fiancée. Mr. Cusak shuffles and shrugs as he is pursued over the Dalkey hills by the prudish Dolly; the quartet's interdependence over the years involves not just their social links, but the exchange of one life for another.

Joe Dowling's production is short on rhythm and not helped by a cumbersome set, two-thirds of which are plunged into semi-darkness at any one time. Philip O'Flynn as Kearns and Maureen Toal as the girl who got away do full justice to the humour and sensitivity of Mr. Leonard's prose. But I have been to livelier launching parties.

Cyril Cusack and Maureen Toal — *Leonard Burt*

Morosco Theatre, Broadway

The Lady from Dubuque

by FRANK LIPSIUS

Edward Albee is the only American playwright these days whose new work gains immediate access to Broadway. His latest, *The Lady from Dubuque*, is in parts funny, bitter, pitiful and powerful. It is strongly acted and clearly directed, but the parts hardly seem to fit together.

A weekly get-together at Sam and Jo's turns unpleasant when Jo, an attractive redhead, unleashes an abusive tirade at her guests. Though she shows funny, Cassandra-like perception in her railing at Fred's coarse penchant for dumb buxom women and Edgar's domination by his flea-brained wife, Lucinda, the comments seem hardly called for — especially from a hostess who has these guests every week.

The guests' toleration is soon explained by Jo's painful terminal illness. She has an attack just after Edgar and Lucinda's hasty and angry departure. Edgar witnesses Jo's writhing and voiceless scream when he returns to ask Jo to comfort Lucinda, who sits prostrate outside because of Jo's harsh ridicule. Frances Conroy makes Jo equally pitiful and pitiless, a victim one can sympathise with while understanding the offensiveness of her smug superiority.

Sam, the capable and ministering husband whom Tony Musante plays with protective determination, finds a stranger in his living-room when he descends the stairs the next morning. The intruder, more friendly than mysterious with Irene Worth's light touch in the part, claims to be Jo's mother, who has already been described differently from this urbane and well-travelled woman. She is accompanied by an equally urbane and well-dressed black-man who repeats verbatim the woman's opening remarks to Sam until the woman stops him.

In a tiresome and longwinded exchange that hardly conceals its implausibility, the strange woman wants Sam to believe she is Jo's mother. In her delirium, Jo herself willingly lets the stranger call herself mother to get the comfort and sympathy being offered.

The story's major implausibilities follow on the heels of the minor ones. People enter the flat without ringing bells or opening doors. Fred's gruff belligerence, as enthusiastically played by Baxter Harris, makes him an unlikely match for the other two couples, while his perky and funny girl friend, whose brains shine through the dumb-broad appearance in Maureen Anderman's rendition, seems an equally unsuitable companion for poor old Fred.

On top of that, the audience is saddled with understanding the mysterious guests who immobilise Sam in order to comfort Jo. The black man dresses like Sam and carries her up stairs to die peacefully and the two intruders then leave as precipitously as they arrived. They are capable of giving Jo the respite from pain that eluded her in Sam's care. Alan Schneider's strong direction has clearly delineated the characters, but their jumble of functions, from being the butt of Albee's clever sarcasm to watching another human being die makes too many obscure distractions from the delicate core of the play.

Komische Oper

Lulu

Joachim Herz, whose previous production of the two-act version of Alban Berg's opera *Lulu* at the Komische Oper in East Berlin was designed to incorporate the third act when that should become available, has found that the edition of this final act so alters his view of the work as a whole that he has been forced to start again from scratch. The new, complete production had its premiere on January 20, conducted by Joachim Willert, with Reinhart Zimmermann and Eleonore Kleiber responsible for sets and costumes respectively.

The entire action takes place in a circus ring, with circus and fairground equipment—a penny-farthing bicycle, climbing bars, a see-saw, merry-go-round horses —replacing conventional furniture in Lulu's various habitats. The circus metaphor is not, of course, an original method of lending unity to the episodic nature of Lulu, but Professor Herz uses the motive for a specific purpose: to give a Brechtian distance to the dramatic action. As, at the same time, he directs the characters, especially Lulu herself, in a way that invites involvement with them; and as the conductor treats Berg's score with particular warmth, a stimulating conflict is set up.

In some scenes, the theatre dressing-room for example, the cerebral approach dominates; in others, such as the final episode in London, the poignancy generated by the music proves overwhelming; in Dr. Schön's salon the balance is near-perfect. The see-saw that serves as both table and sofa, on which Dr. Schön bleeds to death, is equally weighted at either end. Least successful, the "new" scene in the Paris gaming house does not quite cohere, but its ambiguities may take time, both for producer and for spectator, to grasp completely.

The long rehearsal period allowed — insisted upon — at the Komische Oper gives the performance unusual gloss and finish. The orchestra attacks Berg with exhilarating familiarity while the singers have totally absorbed their roles. As Lulu, Ursula Reinhardt-Kiss presents an elemental force of nature. Never still for a second — even lying on the Painter's air-borne bed she performs energetic callisthenics—and for most of the time dressed only in white leotards (this is the first topless *Lulu*), she sings with amazing accuracy and smoothness of tone. Pathos is missing, but none has been demanded; Lulu's essential purity beneath her degradation is brilliantly conveyed.

George Ionescu, playing Dr. Schön and Jack the Ripper in the same formal striped suit, reveals the soft centre inside the impressive professional success-figure. Günter Neumann sings strongly as Alwa, another man of straw behind the elegant façade. Vladimir Bauer's Schigolch is resolutely unsympathetic, though Suzanne Brenning is allowed to make Countess Geschwitz unselfish by intention, whatever her motives. John Moulson is splendidly neurotic as the Painter and as Lulu's second client.

ELIZABETH FORBES

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NATO closes its ranks

YESTERDAY'S JOINT foreign policy declaration by Chancellor Schmidt of West Germany and President Giscard of France came almost exactly six weeks after the Russian invasion of Afghanistan. During those six weeks, the Atlantic Alliance has looked distinctly wobbly, and the pretensions of the European Community to be able to work as a co-ordinated poltícial unit have been dented. Afghanistan has taken a long time to concentrate the Western mind.

Unqualified

When that has been said, the communique that has emerged from the Franco-German summit is a strong one, and one that should go a long way to calming American nerves. In clear and unqualified terms, the French and the Germans have condemned the Soviet invasion. They have reaffirmed their commitment to the Atlantic Alliance. And they have called on the Russians to withdraw their troops from Afghanistan.

The studied vagueness of French statements on Afghanistan in early January has given way to a clear set of warnings to the Russians. The current crisis . . . could have the gravest consequences for the world . . . Detente would not be able to withstand a new shock comparable to the events in Afghanistan . . . Russian withdrawal of troops from Afghanistan was necessary to the success of discussions on which depend security and the future of peace.

Later in the day, an equally pungent condemnation of the Russians emerged from the EEC Foreign Ministers meeting in Brussels. It is beginning to look as if the Western alliance is able to sing in harmony, if not in unison.

U.S. reaction

To some extent, the cracks in the Western alliance over the last month have reflected the differing domestic needs of the Western leaders involved. President Carter could not afford to be seen to be anything short of decisive and strong over Afghanistan as he continued to try and contain American reaction to the holding of hostages in Tehran, on the one hand, and to bolster his leadership credentials at the beginning of an election year on the other.

Both Chancellor Schmidt and President Giscard face elections in the next 18 months too. But in Germany, the achievements of the Ostpolitik and of detente in central Europe loom large in domestic terms; and in France, President Giscard is the guardian of France's long-standing policies of independence from the United States in foreign affairs, and of cultivating a special relationship with the Soviet Union.

In Britain, all Mrs. Thatcher's anti-Soviet instincts required that she should give swift and vocal endorsement to President Carter's rapid foreign policy changes. Unfortunately Britain over the last six weeks has appeared to be sacrificing her "European" credentials in favour of her traditional transatlantic ties, at a time when the thrust of her foreign policy had been directed at establishing a new and more equal financial relationship with her European partners.

It is beginning to look as if European caution and American toughness can meet somewhere in the middle. Yesterday's Franco-German communique appeared to be warning the Soviet Union that France and Germany would be prepared to take military action if there was any further upset to the world balance of power—whether it be in Yugoslavia, Turkey or Baluchistan.

Loose ends

As for the immediate future of detente, the communique seemed to be saying that Franco-German co-operation on SALT, or in the Madrid meeting scheduled for this autumn, depended on some significant drawing back by the Russians from their present occupation of Afghanistan.

There are still, however, a number of loose ends that the West needs to tie up before the alliance can be seen to be wll and truly mended. The Franco-German communique was notably silent over the Olympic games, and made no mention of the American high-technology embargo. The Foreign Ministers in Brussels, on the other hand seemed to be moving slowly towards a position where a common stand against participating in the games could well emerge in two weeks time.

The real lesson of the last six weeks is that both within the EEC, and within the Atlantic Alliance, the political response to the Russian invasion has been painfully slow. There is an urgent need to oil the wheels of political co-operation, so that if there is a next time, the Western response can be both swift and co-ordinated

Sterling climbs back on to the world stage

BY DAVID MARSH AND NICHOLAS COLCHESTER

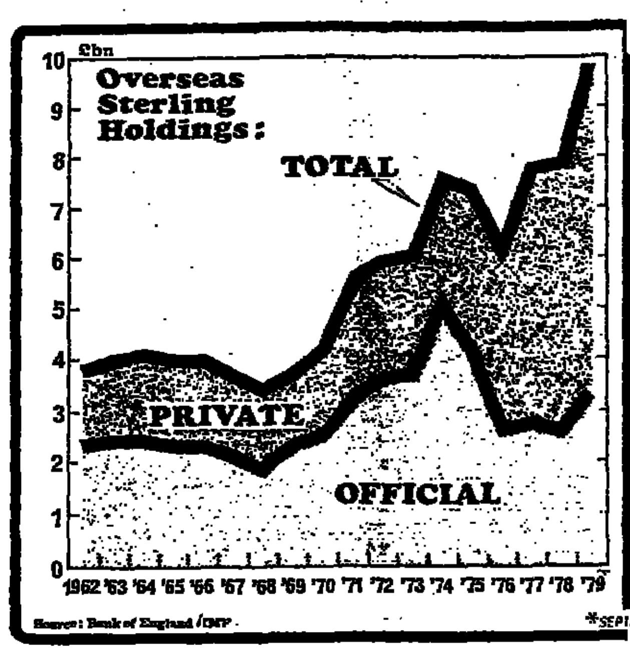
THE BRITISH Government, as Sir Geoffrey Howe, the Chancellor of the Exchequer, confirmed last week, remains highly reluctant to see sterling regain the reserve currency role so painfully discarded in the mid-1970s.

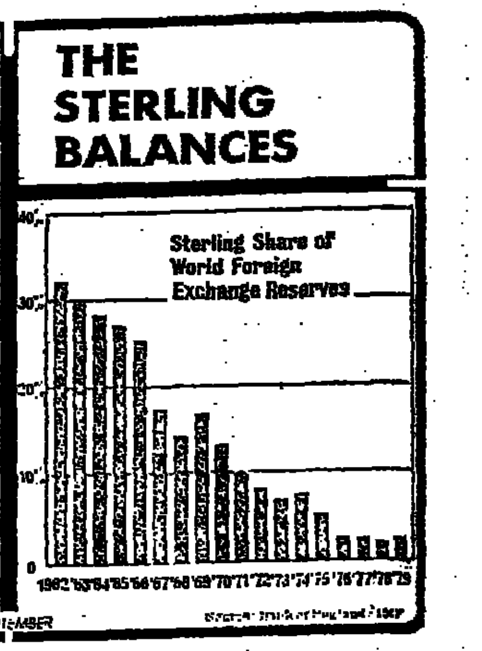
Britain, the U.S. and West Germany have all learnt the hard way during the last decade that international currency responsibilities put significant restraints on domestic economic policies.

Yet at a time when large payments surpluses are roaming the world seeking broadly-spread investments, an oil-backed currency managed by a monetarist government can hardly fail to attract demand as an international reserve asset. Whatever the conflicts with the domestic problems of inflation, industrial decline and the continuing current account deficit, sterling seems set to return to the international stage as part of a general move towards a more diversified world reserve system.

With the dollar generally showing remarkable resilience during the last three months in the face of rising world tension over Iran and Afghanistan, international demand for reserve diversification seems to have switched away from the traditional "hard" currency refuges—the Deutsche Mark and the Swiss franc—into gold, silver and sterling.

Sir Geoffrey Howe—reluctant to envisage the rebuilding of sterling's reserve role; Mr. Gordon Richardson—sees a multi-currency reserve system evolving.





Unforeseen events

Oil money flows into sterling have certainly contributed to the pound's rise of almost 9 per cent on a trade weighted basis since the end of October. But even the Bank of England has no precise idea of the strength of buying because of the sizeable amount of investment from the oil countries which flows through intermediaries.

The rapid rise in oil prices and the flaring up of tension over south-west Asia were all unforeseen when the Government abolished exchange controls on October 23, just over a week before the seizure of the U.S. embassy in Tehran.

But it is now evident that this sequence of events, increasing both the attractiveness of the North Sea-backed pound and the investable surpluses of the oil exporters, has hastened the onset of a new era for sterling. Somewhat earlier than expected, Britain now faces the unfamiliar problem of arranging for offsetting capital outflows to prevent the exchange rate becoming uncompetitively high.

Although some capital is flowing out in response to the ending of exchange controls, the vast bulk is going the other way. The underlying level of Britain's foreign exchange reserves has increased by $1bn over the last two months.

At a time when the Government is committed to high interest rates in a bid to squeeze out inflation, substantial outflows could hardly be expected. Yet the problems of arranging an effective two-way flow of sterling through the capital market will become more acute later in the 1980s if, as expected, Britain's North Sea oil build-up generates a current account surplus.

It is not only the reserve statistics which reveal the problem of sterling's excessive strength. A straw-poll of City banks and discount houses shows that while the lifting of exchange controls created the potential for capital outflow, the cost of sterling, and its tendency to appreciate, mean that very little foreign borrowing of sterling is going on and that capital inflows are very noticeable. Mr. John Forsyth of Morgan Grenfell summed up the position well: "The UK capital market, like the Ritz, is now open to everybody."

Discount houses describe foreign purchases of bank bills as "gigantic" at the moment, and while such purchases were always possible, their executives feel that the removal of exchange controls has increased the psychological readiness of foreign banks and investors to lodge money in the UK.

Gerrard and National estimates that between £½bn and £¾bn of bank bills are now in foreign hands and that the bulk of this foreign holding has been established since the autumn.

A large part of this investment probably does not involve currency speculation by the investor, but reflects the fact that the difference between high UK interest rates and rates abroad is not fully matched by the cost of forward cover against exchange rate loss.

It is possible that the corset is partly responsible for this state of affairs. The bill market is used by banks and borrowers to circumvent the corset (which restrains the ability of banks to fund themselves with deposits and certificates of deposit). The result is that the bills tend to yield slightly more than deposits — yesterday, for instance, three month bills were yielding 17.9 per cent where three month CDs yielded 17.62 per cent.

These very high rates of interest, coupled with the prospect of an exchange rate loss for the foreign borrower of sterling, mean that foreign borrowers are few and far between and the corset does not encourage banks to lend to those who apply. Recent trends in the business of trade finance illustrate current sentiments. One of the City's complaints about Exchange control was the ban on the use of sterling to finance trade between other countries imposed in 1976. This ban forced British trading companies to substitute foreign currency borowing for their own sterling resources when offering trade finance.

It now seems that in the direct aftermath to the removal of exchange controls, trading companies did indeed tend to wind down their foreign currency borrowing, but that this trend did not last long. Perceiving the high cost of sterling finance relative to other currencies, they have since moved back to foreign currency loans. When Swiss francs cost 6 per cent a year and sterling 17 per cent the temptation to do so is understandable.

The "Ritzy" level of sterling interest rates also explains the lack of interest among foreign borrowers in issuing Euro-sterling bonds. There has only been one issue since exchange controls were lifted. Citicorp's issue of £50m for 10 years. The attempt to raise this money at 13.5 per cent, somewhat under the rate for the equivalent gilt, succeeded only with difficulty. It seems that gilt yields will have to sink to levels which normal borrowers can afford before this rather marginal market can make a contribution to British capital exports.

Bankers in the City find it difficult to think of ways in which the removal of Britain's outward exchange controls has affected their business. The most obvious advantage—that of sidestepping the corset by funding loans to British borrowers via the Euromarket—has been denied them by the Bank of England's moral persuasion. This situation will only change when the Bank of England finally decides upon a new system of monetary control.

In contrast, the inflows into the "petropound" have been a major source of business to gilt-edged brokers and jobbers in recent weeks. Grieveson Grant, the London brokers, date the increased foreign participation in the gilt market back to sterling's recovery in 1977 and say that foreign investors have become adept and active buyers and sellers since, focusing their attention chiefly on gilts of longer maturity. Since the beginning of this year there has been a marked, but still unquantifiable, inflow according to brokers. The latest Bank of England figure available shows net foreign purchases of £635m in the third quarter of 1979.

Overseas role caution

With the basic state of the economy still judged as too weak to justify such inflows, official caution over sterling's overseas role is hardly surprising. Memories are still strong of the traumas experienced by successive post-war British governments in dealing with the problem of foreign sterling balances.

Sterling's share of world currency reserves after the war was well over 50 per cent. But progressive disposals by overseas holders during the balance of payments crises of the past two decades, combined with the enormous increase in world dollar reserves, have combined to bring down the share to about 2 per cent.

As part of the rescue measures after the 1976 sterling crisis, the Bank of England agreed with foreign monetary institutions that official sterling reserves would be held down to the level of "working balances" needed for day to day transactions.

The "official balance" reported by the Bank of England, totalled £3.3bn at the end of September. This is in fact a reduction in real terms since the £2.6bn at the end of 1976. But there was a strong spurt during the third quarter of 1979—the latest period for which figures are available. And the "private balances" — sterline deposits held by foreigners other than identified monetary institutions — have increased rapidly to a latest figure of £6.5bn against £3.5bn in 1976.

Bank of England officials say there has been no recent demand by official holders to increase their "working balance" limits. But it is likely that figures for the official sterling balances significantly understate the true level of sterling held in official reserves. A certain amount of official money turns up in the form of private holdings either because of the use of intermediaries or because of the blurred distinction in the Middle East between government and private sector funds. Additionally, a further unknown portion of sterling reserves is held on the Euromarket.

An important feature of the post-1976 sterling rescue package was Britain's decision to issue bonds in dollars, D-Marks and Swiss francs to foreign central banks as a direct substitute for their sterling assets.

This agreement on the use of D-Marks in foreign countries' reserves amounted to tacit acceptance for the first time by the German authorities of the reserve role of their currency. Since then, official holdings of D-Marks have risen to about 10 per cent of world foreign exchange reserves, and Germany has now grudgingly come to terms with its new role as a major reserve centre. "We are not particularly pleased about this development, but we must learn to live with it," was how the Bundesbank's new governor, Herr Karl Otto *Poehl*, put it in London this week.

There has been a similar shift towards a pragmatic approach in Switzerland and Japan—their currencies are each now estimated to make up about 4 to 5 per cent of official exchange reserves.

Intellectual justification

Although taking care not to draw any specific conclusions for sterling, Mr. Gordon Richardson, the Governor of the Bank of England, in a speech last summer produced a strong intellectual justification for the sort of multi-currency reserve system that now seems to be developing.

Voicing scepticism that the dollar's share of world currency reserves would remai nas high as the present 80 per cent, he said that "in a world of free markets, with public and private enterprises alike throughout the world free to decide what assets they wish to hold, the pressures to hold more reserves in the form of claims on the world's higher performing economies are likely to grow."

What part sterling may take in the sort of system Mr. Richardson sees evolving is not yet clear. Certainly, no official encouragement of a new international role seems likely at least until the UK inflation rate comes down into single figures.

Uncertainty in mergers policy

COMPETITION POLICY, which is to be discussed at today's meeting of the National Economic Development Council, presents a peculiarly difficult dilemma for the present Government. On the one hand, it is pinning greater hopes on the efficacy of competition than did any of its predecessors: competitive forces provide the best reason for hoping that a *laissez-faire* industrial policy, combined with strict monetary controls, will be translated through the market into lower inflation and higher productivity. On the other hand, the Government has an instinctive aversion against interfering with commercial decisions.

Meddling

What then should it do about the tendency of untrammelled market forces to lead to ever-increasing industrial concentration, partly as a result of take-overs? Should it challenge the judgment of private investors and managers when they seek to merge their companies, even if the industrial logic of such mergers is not immediately apparent, and if competition is thereby reduced? Should it make greater efforts to weed out restrictive practices which are probably still to be found in some sectors of British industry, given that this will require a good deal of meddling in corporate affairs?

The easiest way out for the Government would be to resist any pressures for further changes and merely to reaffirm its commitment to the laws it has inherited, as supplemented by the investigatory powers against anti-competitive practices contained in the Competition Bill.

Market shares

The evidence on the economic disadvantages of mergers is far from conclusive. Even though industrial concentration in Britain has roughly doubled in the past 30 years, it is by no means clear that competition has been adversely affected by this. Nor is it certain that tougher laws against mergers would arrest this trend. In any case, increasing import penetration has made domestic market shares less important.

While studies on mergers have cast doubt on the benefits obtained from them either for shareholders of acquiring companies or the economy as a whole, certain mergers have been highly successful. And it is questionable whether officials at the Monopolies Commission are in a better position than shareholders and managers to judge whether a particular merger is likely to succeed.

Inconsistent

But, while all these arguments are perfectly valid, they do not point to the conclusion that the law on mergers is satisfactory as it stands. It has been recognised for several years that the application of the current law has become fitful and inconsistent, precisely because it is so *difficult* for the Office of Fair Trading and the Monopolies Commission to judge whether a merger is likely to operate against the public interest. As a result certain anti-competitive mergers have been permitted, while other innocuous ones have either been prevented or deterred. Two years ago a Green Paper suggested that the criteria for making merger references should be clarified and the effect on competition, which the Monopolies Commission does know about, should be brought to the fore. The need for greater clarity is just as necessary today.

Whether a merger is referred to the Commission seems to depend more on the lobbying efforts of the participants than on any objective criteria. This applies particularly to the large conglomerate merger which increases aggregate concentration in the economy but does not affect competition in any specific market. The right approach here may be, not to impose an arbitrary ban on mergers above a certain size, but to examine the weaknesses in the tax structure and the capital market which encourage expansion by take-over.

MEN AND MATTERS

Hilton and Harry back in style

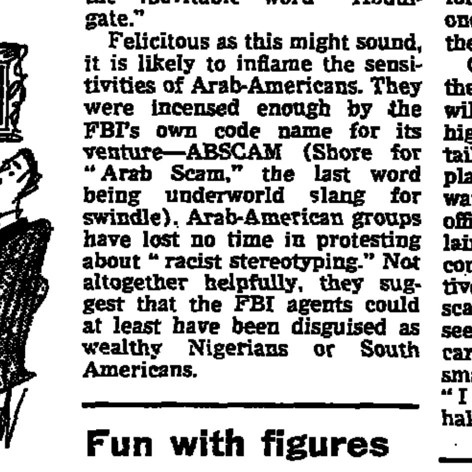
A spell in the pillory almost four years ago when he was publicly branded "in many respects a bully" and buccaneer by Department of Trade investigators appears to have done not one whit of harm to Ralph Hilton. One of the principal "villains" in the dramatic and notorious Roadships transport company scandal, Hilton is back in business with a vengeance.

His name—now emblazoned on the letterhead of Hilton Amalgamated Transport, which trails a string of six subsidiaries—caught my eye yesterday when the Port of London Authority announced he had taken a 20-year lease on a 21-acre patch of the East End's King George V dock.

He plans to spend £2m bringing the warehousing and freight-handling gear up to scratch at the SLIC depot (Silvertown London Inland Clearance). Funds, says Graham Everitt, HAT's general manager, will all come out of profits—which he estimates came to about £1.8m last year — from his 530-strong fleet of trucks. Hilton has no interest at present in City finance or institutions. First, he clearly has no need of them, and he must also harbour some disillusion because of the fiasco involving the Industrial and Commercial Finance Corporation—also censured for its ham-fisted handling of his early venture in public company life. "He has vowed he will never go down that path again," says Everitt.

While our hero may have changed his attitudes towards the City, his managerial style remains robust. Everitt, for example, confides that his title of general manager should not be taken "too literally" since Hilton is very much in charge.

John Black, PLA managing director, who signed the deal with Hilton, tells me he found him hard, possibly buccaneering but fair and honest with an enviable newly-developed flair for public relations. The man termed tough and domineering in the DoT report now figures in Black's rueful view as "a man well able to engender a rapport . . . which I wish I could manage with my people."



"James must have been demoted—not a single click on the line"

While he has parted company with most of the directors of his old venture, Hilton still retains "Harry the Horse" on his board. This character in the Roadships drama was described by the Government's inspectors as "a burly Cerberus" who sat at a desk outside Hilton's office. "That's still a good joke down here," says Everitt of the alleged heavy. "Poor chap's got bad arthritis. And yet, he's got a proper office of his own now."

Nomengate

The prize for coming up with the most original name for the latest Washington scandal—the one in which the FBI found certain Congressmen more than willing, apparently, to accept cash from agents disguised as Arabs—goes to a certain New York journalist who has coined the inevitable word "Abdulgate."

Felicitous as this might sound, it is likely to inflame the sensitivities of Arab-Americans. They were incensed enough by the FBI's own code name for its venture—ABSCAM (Shore for "Arab Scam," the last word being underworld slang for swindle). Arab-American groups have lost no time in protesting about "racist stereotyping." Not altogether helpfully, they suggest that the FBI agents could at least have been disguised as wealthy Nigerians or South Americans.

Fun with figures

The Peterborough Development Corporation is evidently being too modest about the much-vaunted Peterborough Effect. In between persuading all the world and his uncle to set up shop in Peterborough, an official found time to ring me yesterday and point out that it is a question of *dividing* 15 by zero. Answer: infinity. Thus 15 per cent growth compared with the national average of around zero does not, as the advertisements say, mean "Fifteen times faster," but infinitely faster. I hope I have that right · My calculator and I can only do nine-digit numbers.

Tailors cut

In the light of the recent news that London's traffic wardens were being kept off the streets because there were not enough trousers to go round, I was surprised to hear that J. Compton, Sons and Webb, one of the country's biggest uniform manufacturers, was closing its 140-year-old Swindon factory. But, managing director Frederick Ward assures me, reduced orders from customers including the police (who, claiming priority, bagged the traffic wardens' trousers), the armed forces, fire brigades, the Post Office, and British Rail have forced the company to sacrifice one works in the interests of the remaining 12.

Of the 240 staff affected by the closure, only three or four will be kept on. These are the highly-skilled Royal Warrant tailers, unique to the Swindon plant, who kit out Her Majesty's watermen, beefeaters and officials at the Lord Chamberlain's office. Prestigious as the contract is, it is not remunerative enough to support a full-scale factory. Beefeaters, it seems, take exceptionally good care of their togs. "It is very small beer indeed," says Ward. "I doubt we make more than half a dozen doublets a year."

Brief invitation

Scandals and disputes at Lloyd's have kept the commercial departments of many City legal practices up to their wigs in work for the last couple of years.

Lloyd's itself has run through quite a lengthy list of lawyers. So it is not altogether surprising to learn that it is now establishing its very own legal department to advise the 16-strong ruling committee and corporation departments.

With lofty understatement, Lloyd's advertisement for the £15,000-plus job of manager says the position is regarded as having major importance "during a period of controlled change in meeting the requirements of the 1980s." The responsibilities involved will be "demanding."

Celluloid adieu

In Los Angeles a law firm is advertising video-taped wills for "the prospective decedent" who wishes to leave "a longer, more personal statement for the heirs."

Observer

Airlines want a new type of aircraft

By MICHAEL DONNE, Aerospace Correspondent

THE WORLD'S *major* airlines are showing interest in an entirely new type of aircraft; one that would seat from 130 to 170 passengers and be in the short-to-medium range category.

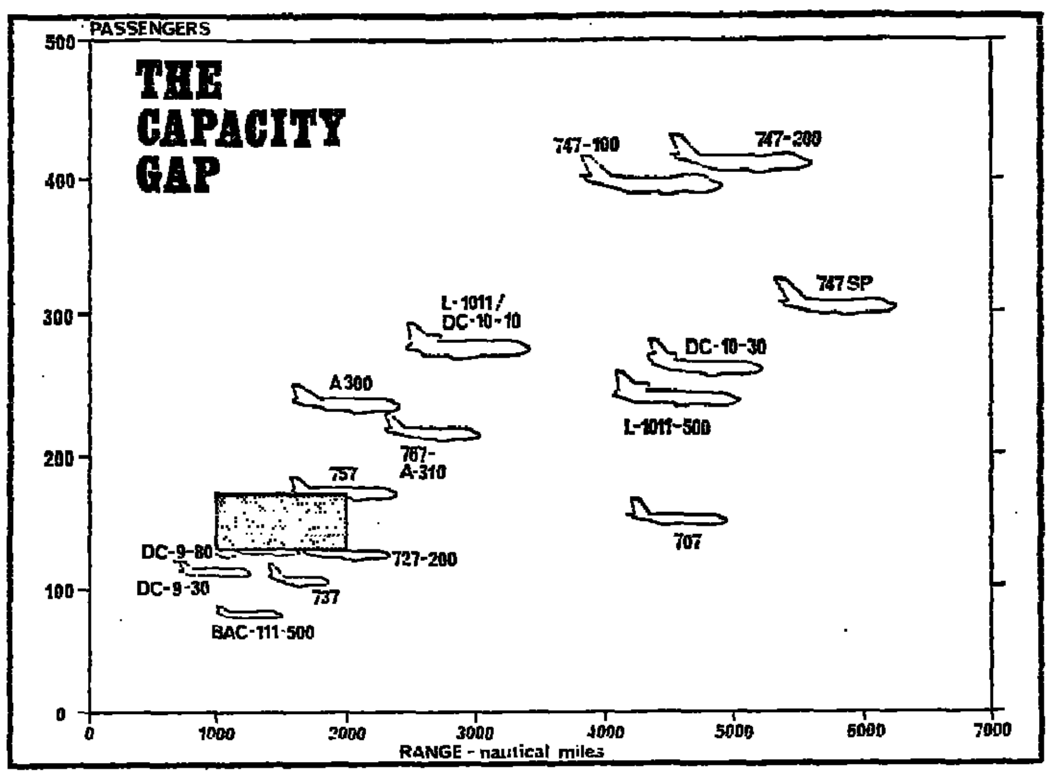
There is a current re-equipment tide which has already seen more than 1,700 new airliners added to the order books of aircraft manufacturers. The growing interest in the new type of aircraft could prove to be a further lucrative development for both airframe and engine builders in the mid to late 1980s, with a potential market *of more than 1,000 aircraft*, worth more than £15bn including spares.

This market is emerging because most of the types currently on offer in the short-to-medium range market are still too big for many airlines. The orders now being placed, for example, are basically for aircraft seating around 200-250 passengers. They include the 250-seat A-300 and smaller 200-seat A-310 wide-bodied Airbuses, and their rivals, the 200-seat "*semi-wide-bodied*" Boeing 767 and its smaller partner, the narrow-bodied 757. These are being used to replace many ageing medium-range Boeing 707s and Douglas DC-8s used on distances of up to 3,000 miles, especially in the U.S. They are also being used by some airlines *as replacements for some of the* bigger-capacity models of short-range jets, such as Boeing 727s and *Douglas DC-9s*.

But it is becoming increasingly clear that, for many airlines, the *new* 200-seaters, whether Airbuses or Boeings, are still often too big to replace *all existing types of ageing jets* in the short-to-medium range category, including some earlier *models of the 727 and 737 and* DC-9, each seating only up to 120-130 passengers.

Thus, a "capacity gap" is emerging between existing 130-seaters and the bigger 200-*seaters now on offer, as the* accompanying chart shows. This gap will have to be filled by the new class of aircraft, in the broad 130-170-seat category. It is possible that more than one new type of aircraft will be needed. The precise nature of the market is only now starting to emerge, and it may be several months before the airlines' views have crystallised *to the point where manufacturers* can be sure they have got their designs right.

But airlines are now encouraging manufacturers to look much more closely at this new market, and put forward ideas to meet it. Sales may still be some way off, but already virtually every major airframe and engine manufacturer in the U.S. and Western Europe has something to offer, and marketing teams are visiting the world's airlines to try to arouse even stronger interest in the new designs.



Variations

In the U.S., Boeing, the world's biggest jet airliner builder, has been discussing with major airlines not only further sales of its existing 757 design, which it believes fills part of the upper end of the "capacity gap," but also the possibility of producing something *else to meet the need for* a smaller type of aircraft. Because it is still selling its highly *successful* 727 three-engined short-to-medium range and 737 twin-engined short-range jets, *there is a strong possibility that* it could offer new versions of those aircraft, with improved *engines and other refinements* to carry them through to the end of the century.

Boeing has a team of engineers studying this possibility, but already the company is *showing interest in the new* Rolls-Royce/Japanese XJB/RB-432 engine as a possible power-*plant for a new version of the* 737. Such developments would *be considerably cheaper* than developing any entirely new *aircraft*.

There have also been suggestions that Boeing might consider producing a shorter-fuselage version of the 757 itself, but this at present seems *more like wishful thinking on* the part of some U.S. airlines than an idea for a programme *by Boeing, although if enough* airlines asked for such a development Boeing would be *bound to consider it. At present*, however, its argument *seems to be that the 757 is an operationally flexible aircraft* that should be able to do much of what the airlines want.

Boeing's major rival, McDonnell Douglas, has for some time been offering its new DC-9 Super 80, *seating* up to *about 172 passengers, and this* is clearly intended to capture a large part of the emerging market. *But, in addition,* McDonnell Douglas is now offering its new Advanced Technology Medium Range (ATMR) transport, a design for a twin-engined aircraft capable of *carrying up to 178 passengers in* six-abreast seating with two aisles, and using two of the *new Pratt and Whitney JT-10D* engines.

Contrary to some reports, McDonnell Douglas *is still looking* for ATMR orders. Although it has reduced the amount of *engineering work on the design* (while it builds up its efforts on a new military transport, the *CX long-range "heavy lifter"*), it feels that it has done enough already to justify continued marketing of the ATMR, and it *is ready to begin full-scale de*velopment as soon as enough airlines show signs of wanting *to buy*.

Lockheed of the U.S. is not engaged in this battle for a smaller aircraft, preferring to concentrate on its existing family of medium-to-long range TriStar jets.

In Western Europe, Fokker of Holland has been discussing for *some time plans for its new* twin-engined F-29 airliner, which would seat about 130-160 pas*sengers. The possibility of joint* production with Japan has been explored, but so far no decisions *have been reached. This project* is regarded as being crucial to Fokker's future in the world *civil jet airliner market*.

Also in Western Europe, the Airbus Industrie consortium, in which *British Aerospace has a* 20 per cent stake, is now also studying what it calls its "SA" (for single-aisle) series of short-range jets, which could perhaps be built in several versions seating between 130 and 170 passengers, and called at present the SA 1, 2 and 3. Each would have two engines — the SNECMA-General Electric, Franco-U.S. CFM-56 of 24,000 lbs thrust. But *some* airlines, especially in the U.S., do not think a narrow-bodied single-aisle aircraft is *suitable*, especially *for* the American market, where twin-aisle, wide-bodied aircraft have *become popular, and it is being* suggested that Airbus Industrie might profit by turning its de*sign into a twin-aisle aircraft* (along the lines of the ATMR), which would make it more com*petitive with that aircraft*.

The two big questions hanging over the new type of aircraft are: which airlines will order first, and which type will they choose? Present indications are that the first moves will come in the U.S., perhaps with one or more of the biggest airlines—United, Delta and American—deciding to buy one or other of the types involved. All three have big fleets of Boeing 727 jets that will need to be replaced by the mid-1980s.

Some part of that replacement market has already been met by purchases of the bigger 200-seat jets—all three have ordered Boeing 767s. But they still need a smaller aircraft to fill the "capacity gap" between their present 130-140 seaters and the new 200-seaters, and this demand could amount to perhaps as many as 200 aircraft.

If any of the "big three" in the U.S. decided to buy, others *in the U.S. would quickly fol*low suit, and this would encourage foreign airlines to move *in also. The timing of such a* move is unpredictable, although most airline observers agree *that it is likely to be within* the next year or so, because the first aircraft will be needed around 1985-86, when many present jets will have to be phased out to meet new U.S. Government noise regulations apart from soaring fuel bills. In Western Europe, Airbus Industrie thinks it may have to take a decision on a new venture in this field before the end *of this year*.

The engine-makers believe this time-scale to be realistic. *Rolls-Royce is already well* down the road with the Dash 535 version of its RB-211 at *36,700 lb thrust, already* in the Boeing 757, and clearly also a candidate for any smaller version of that aircraft that may emerge. General Electric is offering its CF6-32, which at 36,500 lb thrust is broadly in the same class as the Dash 535.

Pratt and Whitney is taking a unique line of its own, spending $500m on a smaller engine, the JT-10D of 32,000 lb thrust. While both the Rolls and GE engines can also be "de-rated" to 32,000 lb thrust, Pratt and Whitney believes that its own engine will be more popular in the new market because of its lighter weight. All the signs are that, as in the "big engine" market for the 200-seater jets, a major engine as well as an airframe battle will emerge for the 130-170 seaters.

Partnership

All three engine makers are also offering engines at the *lowest end of the market, for* any new 130-seater that may emerge. Rolls has its new *XJB/RB-432 of about 20,000 lb* thrust which it intends to develop with Japan. General *Electric has its CFM-56 of* 24,000 lb thrust, already developed with Snecma of *France, with a smaller version,* the Dash 3, of 20,000 lb thrust also planned. Pratt and *Whitney is studying a smaller version of the JT-10D*, the Dash 226, of 26,000 lb thrust, which will compete with the CFM-56.

The investments in all these airframe and engine ventures will be heavy—not less than several hundred million dollars for each venture, the most expensive likely to be the entirely new models, such as the ATMR or Airbus SA series, and the cheapest being *derivatives* of existing aircraft, such as any Boeing 727 or 737 replacement.

The manufacturers must thus be sure of their markets, and the possibility of new collabor*ative ventures to help spread* the costs and ease the strains on available resources, cannot be overlooked. Fokker may yet decide to join Airbus Industrie in helping to develop this new class of aircraft, while the possibility of McDonnell Douglas and Airbus Industrie getting together is not dismissed by either organisation, although they are not yet very close on the issue. The latter combination would offer formidable competition for Boeing, which once again may seek international links of its own (it is already working with *Japan and Aeritalia of Italy* on the 767).

In all this British Aerospace could have a major role. It has the biggest single aerospace labour force and manufacturing capability in Western Europe, with considerable expertise in short-to-medium *range jet design and manufac*ture. It could take the lead in any new Airbus Industrie ven*ture of this nature, perhaps* even assembling the aircraft in Britain.

Many possible combinations of manufacturers are likely to be discussed before anything is *finally settled. But what is clear* is that once the market begins to move, it could move very *quickly. This is why the manu*facturers are making such strong efforts now to clarify *their design ideas*.

Letters to the Editor

Contract security industry

From the Director-General, British Security Industry Association

Sir,—In your edition of January 28 you made reference to the security industry, and perhaps you will allow me the courtesy of your columns to comment upon aspects of the statements made.

In the United Kingdom, the contract security industry chiefly provides a service to the commercial and industrial sector. This in no way conflicts with the regular police services or any other state body.

With the dramatic growth of burglary, commercial and private householders turned increasingly to the electronic intruder alarm device as a means of encouraging the prevention of this unpleasant crime. In 1971, this association created the national supervisory council for intruder alarms to meet public criticism of the general standard of insallation and maintenance of intruder alarms. Today, some 120 alarm companies are included upon the roll of approved installers, all subject to independent inspection and obligated to comply with British Standard 4737. The NSCIA has its own board, independent of security industry control, upon which representatives of the British Insurance Association and others serve.

It is when the media consider the services of the guarding and security transport companies that the question of the reliability of the employee is sometimes raised. In this country, a private security firm does not have access to criminal records, nor does the industry seek such access. While it may once have been true that, as you suggest, some access to police previous conviction records once existed on an informal basis, such a practise is now illegal and would contravene the Police Act. Nor would this method be of any great value to a security company. For instance, the police themselves obviously have access to criminal records when examining recruits to their service. Yet, in recent years, the Metropolitan Police alone has dispensed with several hundred officers who were guilty of some form of wrong-doing. In the case of the security industry, the BSIA has firm rules regarding pre-employment screening of all prospective employees. This process costs several hundred pounds per applicant and includes an analysis of the employment record going back to school-leaving or over a period of 20 years. No member of the BSIA uses the American device known as the "lie detector"; such a gadget, I am afraid, is no more than an expensive toy and quite alien to British culture.

As to the future, in the event of the Government not exercising official control by a licensing system, the BSIA will proceed to create an independent inspectorate to monitor the all-important pre-employment screening and training arrangements in keeping with an industry used and supported by the banks, government departments and many other commercial firms who respect the contract security industry for its reputation and success, and *accordingly continue to employ* it.

John D. Wheeler,
British Security Industry Association,
68 St. James's Street, SW1.

Accounting for inflation

From Mr. J. Hammond.

Sir,—Attention was given in your columns in the article by R. A. Rayman (January 16) to the inadequacies of current replacement cost accounting in providing a yardstick of business performance.

It is often assumed that Governments will eventually *have to capitulate* to the logic of CRCA, that taxation on business profits will fall, and that cash-flow *problems* will be alleviated.

It is unlikely that Governments will ever be *able to afford* such a step either from a fiscal point of view—their expenditure obligations—or politically —it helps business but not the savers. It is this last comment which perhaps provides the key. Accounting convention needs *to apply to* all sectors of the community including lenders, borrowers, and the Inland Revenue. A *change to a* system which recognised the need for the saver to have an adequate store of value for his savings could have surprisingly beneficial results to an economy. A system which recognised the impact of inflation on the lender as well as the borrower (CRCA only goes half way in this respect), and which records unrealised *as well as* realised gains and losses and then aggregates them with revenue gains and losses *might be the sort of* system we are all looking for. By providing a real store of value, savings could be encouraged and investment funds could be more readily available. Since interest would no longer have to incorporate compensation for loss of capital value (in real terms), interest rates could be reduced, businesses could revise their idea about cut-off points above which investment became viable. Current convention *which* excludes capital gain in the normal return on investment calculation may be doing a lot of harm.

J. E. S. Hammond.
9, Ranui Crescent,
Khandallah,
Wellington, 5,
New Zealand.

Damaging fiscal penalty

From the Honorary Secretary, Heritage in Danger.

Sir, — *Mr. Andrew Faulds*, the Opposition spokesman for the Arts, recently asked the Chancellor of the Exchequer whether he would consult with the Historic Houses Association, the standing commission on museums and galleries and the Church "as to the effect of value-added tax in preserving UK cultural and historic heritage *before he introduces his* Budget."

In reply, Mr. Peter Rees, QC, the Minister of State for the Treasury, said that he was already aware of the views held by those concerned with our cultural and historic heritage about the effect of value-added tax but that he would, "of course consider carefully any further representations on this matter."

*Since it is generally acknow*ledged that VAT is the most damaging fiscal penalty imposed *by the State on the arts and the* heritage, surely all those concerned would wish to make *their representations.*

Hugh Leggatt.
17, Duke Street,
St. James's, SW1.

Spending cuts

From Professor D. Myddelton.

Sir,—To allow significant reductions in revenue-raising taxes, government spending must be cut. But reducing services provided "free" is unpopular among former recipients and it is not easy to identify "waste" in a bureaucracy, let alone to cut it out.

A third way to reduce government spending is to transfer activities from the public compulsory sector to the private voluntary sector. Here the present Government, for all its admirable rhetoric, has done too little. Many of the nationalised industries should be denationalised, *and* competition allowed in others.

But surely the most obvious way to cut government spending is to look at where most of the money is spent: the welfare state. Why not denationalise substantially all of the education, health and housing industries? Then the potential benefits of the competitive market system could be spread more *widely, and the* depressing inefficiency and inertia of government bureaucracy could be swept *away*.

Among the major advantages of denationalising most of the *welfare state would be*: more freedom of choice for taxpayers and consumers; more competi*tion for producers, leading to* more efficiency; and less political presure to overspend, hence less pressure for inflation.

D. R. Myddelton.
Cranfield School of Management, Cranfield, Bedford.

Business on TV

From Mr. J. Farrant

Sir,—Observer in Men and Matters (January 25) clearly appreciates our difficulties in making the "Inside Business" film, transmitted last Thursday, on the Lloyd's computer leasing losses. To be fair, though, he did not mention that we had filmed an interview with Charles Christopher of Surety Industries Inc., who thought up *the idea on which the computer* leasing policy was based.

As for some of those so-called "sundry computer buffs" in Men and Matters, might they not, if their warnings had been heeded, have helped Lloyd's avoid their losses?

The reluctance of business brides to come to the altar of TV is notorious. We do not, *however, depend* on the co-operation of the business community in choosing subjects to cover on "Inside Business." Rather, once the story is chosen, we make the film. For example, "Inside Business" of January 17 followed the story of the Meccano closure; Airfix, the owner, denied us any co-opera*tion in the making* of the programme until the very last minute, when after comment in *the Press, Mr. Ralph Ehrmann*, the chairman, consented to a filmed interview. Had Airfix *helped us earlier, no doubt the* programme would have been able to put management's case *as succinctly as the workforce's*.

Whatever the vicissitudes of programme makers, however, it *is clear that* "Inside Business" reaches a wide and non-specialist audience; and from the comment *available* so far, our film on Lloyd's was informative and of concern to many viewers.

James Farrant
(Producer "Inside Business").
Thames TV.
306-316, Euston Road, NW1.

Trade in textiles

From the Chairman, Scott and Robertson

Sir,—May I comment on the letter from Mrs. Hurtado of January 29? The term "textiles" embraces a wide variety of products. One of these is jute and in its case the preponderance of imports is entirely different from that quoted by Mrs. Hurtado since during the first half of 1979 over 90 per cent of yarn and cloth imported into the UK originated in Third World countries, mainly India, Bangladesh and Thailand.

J. R. Scott,
Scott and Robertson.
Park Mill,
Dundee, Scotland.

Change the plumbing

From the Joint Managing Director, Ideal-Standard

Sir,—*May I add a further* point to the debate on lead pollution of drinking water, *which followed the publication* of the "lead in the environment" report put out by the Department of the Environment.

Houses with an extensive amount of lead plumbing should *clearly be dealt with by replac*ing their complete plumbing systems.

In Britain now we are on the brink of changing to unvented mains pressure plumbing systems—now in use in all other advanced countries — which dispense with open storage tanks and eliminate the associated health hazards caused by contamination from birds and other sources in the roof space. All that is needed now is formal acceptance by the DoE and the water authorities of these unvented systems.

In addition to removing the health hazards of roof tanks, the new system offers considerable cost savings—by virtue of the fact that the roof tank and the associated plumbing are eliminated and much of the pipe work can be of smaller diameter.

Surely, before action is taken to replace the old systems with their lead piping and lead-lined tanks, we should grasp the opportunities offered by these *modern, hygienic and cost saving systems.*

N. F. Bennett,
Ideal-Standard,
P.O. Box 60,
Kingston upon Hull.

Today's Events

GENERAL

UK: National Economic Development Council meets to discuss UK trade performance and competition policy, including Confederation of British Industry paper on proposed new laws on company mergers.

Office of Fair Trading presents direct sales Code of Practice.

Computer-Aided Design and Manufacture report by Working Group of Advisory Council for Applied Research and Development.

General Sir Edwin Bramall, Chief of General Staff, speaks on "The Place of the British Army in Public Order," Royal *Society of Arts, John Adam* Street, WC2, 6 pm.

Sir Peter Gadsden, Lord Mayor of London, attends Fletchers' Company dinner, Ironmongers' Hall, Barbican.

Overseas: The International Monetary Fund sale of 444,000 ounces of gold in New York.

M. Jean Francois-Poncet, French Foreign Minister, begins two-day official visit to Yugoslavia.

Mr. Hamish Gray, UK Minister of State for Energy, visits Stavanger to attend Energy Policy Foundation of Norway.

Organisation of African Unity Foreign Ministers meet in Addis Ababa.

Socialist International begin two-day meeting, Vienna.

General Election in Gibraltar.

PARLIAMENTARY BUSINESS

House of Commons: Industry Bill report stage—Government amendments to set new borrowing limit for National Enterprise Board.

House of Lords: Debate on threat to international security caused by Russian invasion of Afghanistan.

OFFICIAL STATISTICS

Housing starts and completions (December). Fourth quarter figures for slum clearance and house renovations.

COMPANY MEETINGS

Fairline Boats, Great Northern Hotel, Peterborough, 3. ICL, 1, *London Wall, EC*, 12. Piccadilly Theatre, Denman Street, W, 10. Richards, Maberley Street, *Aberdeen*, 12. *Shrewsbury and* Wem Brewery, Wem, Shropshire, 11.30.

COMPANY RESULTS

Final dividends: Sterling Trust. **Interim dividends:** Benn Brothers, Smith Bros. **Interim figures:** Carrington Investments, Dowty Group, Mining Supplies, *United Dominions Trust*.

Asscd. Fisheries recovers further to exceed £2m

THE RECOVERY trend seen in the first half continued in the second six months at Associated Fisheries and the group ended the year to September 30, 1979 with pre-tax profits of £2.19m, compared with a loss of £2.37m previously. In July, a return to profitability was reported with a turnround from £1.35m midway deficit to profits of £0.73m.

Trading surplus for the year reached £2.49m, against a loss of £2.09m, which reflects a satisfactory increase in profits of the food, storage, transport and engineering divisions and a greatly reduced loss on the fishing side.

With stated earnings per 25p share at 7.74p (3.97p loss) the group is recommending a final dividend of 0.75p net making a total for the year of 1p (nil).

Following the failure of the Australian venture and in the context of the prevailing inflationary climate, the board has maintained a financial policy aimed at restoring the group's liquidity and reducing borrowings.

Although the directors say it is too early to forecast the outcome of the current year, it is anticipated that effective progress will be made towards both these objectives.

Tax charge for the year took £0.73m, against a £1.31m credit in 1977-78. After minorities and an extraordinary debit of £1.97m last time, available profits were £1.39m (£2.64m loss).

	1978-79 £000	1977-78 £000
Turnover	73,557	76,964
Trading profit	2,489	*2,090
Interest paid	351	429
Associates' losses	203	410
Exceptional credits	255	554
Profit before tax	2,190	*2,375
Tax charge	726	†1,308
Minority debit	76	‡395
Extraordinary debit	—	1,971
Making profit	1,388	*2,643
To reserves	1,186	‡2,670

* Loss. † Credit. ‡ From reserves.

● comment

The dramatic turnround into the red at Associated Fisheries in 1978 has been partially redressed by the elimination of Australian losses from the account, extensive pruning of an underutilised fleet and a strong improvement from the land-based activities. Net borrowings are up by some £1.3m—primarily because of the Australian closure—but working capital is being kept under control and disposal of some of the 20 ships still laid up should brighten up the balance sheet in the current year. Disposals last year enabled the trawling side to break even after all exceptional items. At 55p, the shares trade on a stated p/e of 7, which anticipates further scope for recovery. The yield is negligible at 2.6 per cent.

HIGHLIGHTS

The January banking figures, showing a £1.8bn rise in clearing bank lending to the private sector, proved very disappointing to the gilt-edged market. Lex discusses what went on in the month. Yesterday saw two major statements concerning the London markets after the abolition of exchange controls; one from the Stock Exchange and one from the Bank about the dollar certificate of deposits market. Lex considers these and also surveys the behaviour of world stock markets. On the inside pages there are comments on Associated Fisheries, Aaronson, Crouch and Unitech.

Unitech chairman Peter Curry . . . some slowing-down anticipated in 1980.

Unitech approaches £2m in first six months

TAXABLE PROFITS of Unitech, electronics manufacturer, advanced 41 per cent to £1.99m in the half-year to December 1, 1979, compared with £1.41m last time. External sales rose 53 per cent from £20.76m to £31.8m.

At the same time, the directors announce that Unitech has agreed, through its subsidiary Celdis Gmbh, to acquire Alfred Neye Enatechnik Gmbh for DM 13.5m (£3.4m) cash.

Alfred Neye is a major distributor of electronic components in Germany, and the acquisition is subject to pre-tax profits for 1979, being in excess of DM 3.9m (£983,000).

While orders and sales continue to increase at a satisfactory rate for the present, Mr. P. A. M. Curry, the chairman, anticipates some slowing down during 1980. Nevertheless, he expects a further advance in profits for the second half. In the last full year, profits rose from £3.11m to £3.56m, with £2.15m coming in the second six months.

The results include six months of Comatel SA and interest on the proceeds of a rights issue for two months. Excluding these two benefits, the increase in sales and pre-tax profits would have been 42 per cent and 22 per cent respectively.

The interim dividend is stepped up from 1.675p to 2.1p—last year's final was 3.325p.

The surplus is struck after higher net interest charges of £323,000 (£227,000) but before tax of £1.03m (£733,000).

After charging minorities' profits of £13,000 (£2,000 loss) and pre-acquisition profits of £52,000 (nil), the attributable surplus emerges at £888,000 (£774,000). There was a £96,000 profit on the sale of trade investments last time, but none this time.

The interim dividend absorbs £380,000 (£226,000), leaving retained profit £20,000 lower at £528,000. Stated earnings per 10p share are up from 5.1p to 5.9p.

● comment

The news of a 41 per cent jump in pre-tax earnings at Unitech was greeted with more than mere approbation yesterday as the market bounced the share price 12p up to 260p. The pre-tax figure includes a six-month contribution from the recent French acquisition, Comatel, but even so, the showing is good. Meanwhile, the news of a planned £3.4m acquisition of the German electronic component distributor Alfred Nehe Enatechnik was another reason to cheer. At the planned purchase price, 3½ times prospective pre-tax earnings, it looks like a good deal. The business also includes important franchises from Intel, RCA, Burroughs and Harris. Although the Board admits that things could slow down in 1980, the group could still be heading for £4.5m or more this year at the pre-tax level. This would continue a trend of compound growth at this level of more than 20 per cent since 1974. The interim dividend is up by a quarter and the total gross this year has been forecast at 8.7p, pointing to a prospective yield of 3.3 per cent. The prospective p/e could come to around 20 on a full tax charge.

Elson and Robbins sales up 56% in first quarter

For the first three months of the current year, sales at Elson and Robbins had jumped by 56 per cent while profits had risen by 38 per cent, Mr. Eric Keeling, the chairman, reported to the annual meeting. The current position within the group was very healthy, he said.

All companies in the group, which makes springs, spring assemblies and vinyl foam, should be able to operate normally until the end of March, he added, but if the national steel strike was not resolved in the next few weeks, it would have serious effects.

A subsidiary, Thomas K. Webster had ran into difficulties and losses of £76,000 were incurred in the first quarter of this year, as a result of high interest rates, difficulties of increasing product prices, a factory move and the introduction of new products. However, the chairman anticipated a return to an approximate break-even position for the year.

Members were told that December's £1.28m rights issue was very successful and this added capital would strengthen the group's position.

CHILD HEALTH

The offer of shares in the Child Health Research Investment Trust has been marginally oversubscribed. Applications for £50,000 or less will be met in full, while the remainder will be allotted as to 98.3 per cent of the amount applied for.

Letters of allotment will be sent out on February 8 and dealings will begin on February 11.

Midland Shires Farmers up

Sales of Midland Shires Farmers, co-operative society, rose by more than 20 per cent to £36.5m for the year ended October 31, 1979, while pre-tax profits moved ahead by £16,434 to £767,108.

The board recomends a maintained bonus to members of £2 per £100 of qualifying trade and increased payment of interest on members' share capital at 12½ per cent—a total distribution of £569,000.

Mr. Ken Allright, the chairman, describes this as a successful performance in one of the most difficult trading years, with genuine progress in all departments.

The society moves into the 1980s in confidence and good heart, he adds.

The society's partly-owned subsidiary MSF (Meat) had a record year, with pre-tax profits up from £64,490 to £174,846 on sales of £8.84m (£7.91m).

Huddersfield & Bradford assets £605m

Total assets of Huddersfield and Bradford Building Society increased by £59.25m to £604.9m in 1979, which means that the Society has almost doubled in size since the merger of the former Huddersfield and Bradford Permanent Societies five years ago.

Mortgage assets improved 11 per cent to £490.8m against £442.3m, but mortgage advances fell from £118.1m to £103.2m. The general reserve fund improved from £25.13m to £26.9m.

Although the average percentage borrowing fell from 65 per cent in 1978 to 57 per cent in 1979, the average loan granted increased to £11,137. Gross receipts from investors averaged a record £5m per week, and, after allowing for interest credited to accounts and the debiting of withdrawals, total investors' balances increased by nearly £55m during the year.

Commenting on the year's figures, Mr. F. Roger Bentley, the Society's president, says that, in deference to the Government's anti-inflation strategy, the Society was able to add a significant revenue surplus to its general reserve. Representing 4.45 per cent of total assets, this was one of the highest achieved by any of the leading societies.

He states that the immediate outlook for the economy cannot be described as encouraging.

First half downturn at Steinberg Group

A DECLINE in pre-tax profits from £260,000 to £194,000 is reported by Steinberg Group, manufacturer of ladies' clothing and handbags, for the half year to September 29, 1979.

In the last full year, profits rose from £503,000 to £843,000 and in their annual statement, the directors said management accounts for the first part of the current year indicated an improvement.

The interim dividend is maintained at 0.32p—last year's final was 0.7798p.

Sales for the six months improved from £12m to £13.13m, and tax takes £103,000 (£150,000). Stated earnings per 10p share are 0.69p (0.83p).

OFT takes closer look at Marsh bid for Bowring

REPRESENTATIVES from the Office of Fair Trading are to meet Mr. Peter Green, the chairman of Lloyd's of London, to discuss the proposed £237m takeover of C. T. Bowring by Marsh and McLennan of the U.S., the world's largest insurance broker.

The OFT has been sutdying the bid since Marsh made its intentions clear at the beginning of January. It has the power to recommend to the Department of Trade whether or not a bid should be referred to the Monopolies and Mergers Commission.

Bowring has a large Lloyd's involvement through its insurance broking operations and underwriting activities and the OFT has been examining the effect closer U.S. links will have on the Lloyd's market.

Marsh and McLennan's bid has so far been fiercely resisted by the Bowring group.

Provincial B.S. and GRE in joint plan

The Provincial Building Society has combined with the Guardian Royal Exchange Assurance in launching a new lump sum savings plan, The Greater Growth Investment Plan.

Under this scheme, the investor puts a capital lump sum with Provincial. Each year, enough money is taken from the account to pay the annual premiums on a 10-year with-profits policy issued by GRE.

The capital outstanding in the building society earns interest at Provincial's paid-up share rate (currently 10.5 per cent), and the with-profit policy earns the normal reversionary bonuses. In addition to the life cover provided the life assurance premiums are boosted by the tax credit available—a boost of 21.2 per cent to the investor's net outlay.

At the end of 10 years, the investor receives the proceeds of the endowment plus whatever capital remains in the building society account.

For example, an original investment of £10,000 made by a man aged 39 would, under current bonus and interest rates, grow to £29,416 after 10 years—£24,268 from the endowment and £5,148 remaining in the building society account.

Vibroplant

As reported yesterday, pre-tax profits of Vibroplant Holdings, the North Yorkshire plant hire company, showed a substantial increase in the half-year to September 30, 1979, rising from £1.6m to £2.1m. Turnover was £6.8m, against £5.4m.

Owing to a transposition, remarks about orders and exports by Mr. Donald H. Gaunt, chairman and managing director of Rowland Gaunt, inadvertently appeared under the Vibroplant report.

PLESSEY

Plessey has formed a new company in conjunction with Andersen Group Incorporated of Bloomfield, Connecticut, to conduct research, development and manufacture of signal processing devices based on surface acoustic wave technology.

Ownership of the company is shared equally by Plessey and Andersen.

SPAIN

February 5	Price %	+ or −
Banco Bilbao	213	
Banco Central	224	
Banco Exterior	211	
Banco Hispano	210	
Banco Ind. Cat.	135	
Banco Madrid	173	
Banco Santander	244	
Banco Urquijo	157	
Banco Vizcaya	218	
Banco Zaragoza	200	
Dragados	102.5	−1
Espanola Zinc	62	
Fecsa	56 2	+0.2
Gal. Preciados	36	
Hidrola	62.5	+0.3
Iberduero	61.5	+0.8
Petroleos	115	−0.5
Petroliber	72	−1
Sogefisa	115	
Telefonica	56	−1
Union Elect.	63.7	+1 7

THE NEW THROGMORTON TRUST LTD.

Capital Loan Stock Valuation—February 5th, 1980

The Net Asset Value per £1 of Capital Loan Stock is 227.14p calculated on Formula 2.
Securities valued at middle market prices.

British Cargo to publish interim results on Friday

THE DIRECTORS of British Cargo Airlines, formed last year by the merger of IAS Cargo Airlines and Transmeridian Air Cargo, are meeting on Friday to "consider and approve the release" of the interim statement for the six months ended September 30, 1979.

A trading loss had been anticipated for this period and in common with other cargo airlines, trading conditions have remained difficult. However, the directors stress that the "company has and is continuing to take firm steps to arrest the situation."

The company announced yesterday that it was making 44 more Stansted employees redundant from the end of this month bringing to 470 the number laid off since the merger.

The unlisted shares, dealt in under Rule 163(2), fell by 5p to 30p yesterday following a 21p fall on Monday.

Placing for Damson Royalty

Cazenove and Amex Bank have placed 3m shares in Damson Royalty Investments at $10 per $2 share. The placing was made with UK and European institutions and the shares will be listed in Luxembourg.

Damson is a new company which will invest in the production and development royalties in the U.S. It takes its name from Damson Oil Corporation, an independent oil company which will act as adviser to the fund. Damson Royalty has been registered in Luxembourg and intends to acquire its interests through a wholly-owned subsidiary in the British Virgin Islands.

The company proposes to distribute "a substantial part of its income" by way of dividend but to retain a portion of its income in order to reinvest in additional interests.

Mr. Alexander J. S. Coombe-Tennant, a former partner of Cazenove and chairman of the new company, said Damson would be looking for fairly safe investments and will lean heavily on Damson Oil for advice. He accepted that competition would be severe but said that many of the biggest buyers in the market were not interested in the kind of smaller royalties which would attract Damson.

Damson is not expecting to become geared in the near future and is likely to place the proceeds of the equity placement on short-term deposit until it finds suitable acquisitions, Mr. Coombe-Tennant said. No further listing or equity placement is anticipated at present. "We have got to prove our worth," he added.

ACCOUNTANTS MERGE PRACTICES

Chartered accountants Binder Hamlyn and Winkley and Clarke are to merge their practices in Nottingham as from May 1. The merged firm will practise in the name of Binder Hamlyn.

Binder recently announced a merger with Viney Merretts in London with which Winkley and Clarke has been associated for a number of years.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aaronson	3	April 10	2.5	4.2	3.5
Asscd. Fisheries	0.75	—	Nil	1	Nil
Comalco	9.5‡	May 1	—	14.5	11
Crouch ...int.	1.08	May 1	1	—	4
Steinberg Group ...int.	0.32	April 8	0.32	—	1.1
Unitech ...int.	2.1	April 1	1.67	—	5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Australian cents throughout.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB. Telephone: 01-621 1917

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	73	Airsprung Ord.	73	—	6 7	9 2	4 3†
50	38	Armitage and Rhodes	38	—	3.8	10 0	2.5†
228	185	Bardon Hill	228	—	13 8	6 1	6.7†
100	85	City Cars 10.7% Pref.	87	—	15 3	17 6	—
101	63	Deborah Ord.	88	—	5.0	5 7	9.7
353	140	Deborah 17½% CULS	350	—	17.5	5.0	—
94	68	Frank Horsell	94	—	7.9	8.4	5 8
129	100	Frederick Parker	107	—	12 8	12.0	8.3†
155	105	George Blair	105	—	16.5	15.7	—†
[illegible]	45	Jackson Group	60	—	5.2	8.7	3.5†
153	114	James Burrough	114	−1	7.2	6 3	10.0
[illegible]	242	Robert Jenkins	245	—	31.3	12.8	7.8†
[illegible]	[illegible]	Torday Limited	223	—	14 3	6.4	5.8†
34	16¾	Twinlock Ord.	21¼	−1	0 8	3 9	4.0†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
56	23	Unilock Holdings	52	—	2.6	5.0	11.1
84	42	Walter Alexander	81	—	4 4	5.4	5.4
180	126	W. S. Yeates	166	—	11 5	6.2	7.2

† Accounts prepared under provisions of SSAP 15.

AARONSON BROS. LTD.

Manufacturers of Contiboard, Contiplas, Wood Veneers, Aroplas, Laconite, Melinate, Armaflex, Spanboard, Bath Panels and Tiles

STATEMENT OF TRADING RESULTS

YEAR ENDED 30TH SEPTEMBER, 1979
(Subject to Final Audit)

	1979 £'000	Percentage Increase	1978 £'000
Turnover	46,999	37	34,203
Exports	7,948	23	6,441
Profit before taxation	4,010	15	3,468
Profit after taxation	3,305	15	2,875
Profit for the year attributable to the group	3,113	22	2,537
Dividends paid and proposed			
Preference Capital	130		130
Ordinary Capital			
– Interim of 1.2p per share paid 9th Oct. 1979 (1978: 1.0p)	318	20	200
– Final of 3.0p per share payable on 10th April, 1980 to shareholders registered on 14th March, 1980 (1978: 2.5p per share)	796	20	661
	1,244		991

The Directors are pleased to report record profit and sales for the year ended 30th September, 1979. During the second half of the year there was a considerable increase in the cost of raw materials, interest charges rose, and the strength of Sterling adversely affected export margins with a consequential reduction in net profit margins.

FUTURE PROSPECTS:–

As a result of the continuing pressure on our margins, profitability in the first three months of the current year was below that achieved during the corresponding period last year. Turnover has increased and with the benefits of our major capital expenditure programme coming through, the Board is hopeful of a satisfactory outcome to the current year.

هكذا من الاصل

Companies and Markets **UK COMPANY NEWS**

Crouch Group shows advance

PRE-TAX PROFITS of Crouch Group, builder, contractor and estate developer, advanced from £289,000 to £356,000 in the six months to September 30, 1979.

Group trading profits were depressed during this period, however, by the continuing poor performance of Crouch (Ireland). The board is involved in negotiations to remedy this.

Two other subsidiaries, Crouch Development and Crouch Homes, made a satisfactory contribution to the profits, and Crouch International Corporation, the overseas development subsidiary, has now completed the letting of its office development in New York, well ahead of its final refurbishment.

Mr. Ronald Clempson, the chairman, says difficult conditions continue throughout the construction industry and these have affected the anticipated contribution of Crouch Construction, although it has been successful recently in achieving new contracts in the private sector.

Looking ahead, Mr. Clempson says the year end will show a further strengthening of the group's balance sheet as the current office development programme is completed and increased rental income becomes significant. He is satisfied that the group's inherent strength and soundly based policy of selective development will produce continued growth.

Earnings per 25p share are stated up from 6.725p to 8.45p, while the interim dividend is raised from 1p to 1.075p—last year's total was 4p from pre-tax profits of £760,000.

Turnover for the first half increased from £6.3m to £7.97m. Tax took £18,000 (£30,000).

● comment

Crouch is comfortably ahead at the halfway stage but most, if not all, of the advance must be attributed to the tail-end of the residential development boom. The level of housing completions this year is likely to remain static and, certainly, margins are no longer expanding. Commercial property dealing profits are unlikely to make much impact but the South Manhattan site reached its letting target last autumn and Crouch has apparently achieved substantial lettings throughout the rest of the investment property portfolio. Meantime, the disappointing Irish housebuilding offshoot may well be sold and the construction arm, shifting its emphasis from the public to the private sector, is beginning to fill the gaps in its workload. The group's own estimate of asset backing at the last year end was around 150p per share and a full revaluation will be undertaken at the next balance sheet date. The historic yield at 81p, up 1p yesterday, is 7.1 per cent.

Aaronson tops £4m but margins under pressure

RECORD PROFITS and sales for the year to September 30, 1979, are reported by Aaronson Bros., veneer merchant. The pre-tax surplus rose from £3.47m to £4.01m, on turnover £12.8m higher at £47m.

At midway, profits were up from £1.68m to £2m.

The directors say that, during the second half, there was a considerable increase in the cost of raw materials, interest charges rose, and the strength of sterling adversely affected export margins which reduced profit margins. Exports totalled £7.95m (£6.44m) for the year.

	1979	1978
	£000	£000
Turnover	46,999	34,203
Trading profit	3,947	3,420
Associates	63	48
Profit before tax	4,010	3,468
Tax	705	593
Net profit	3,305	2,875
Minorities	192	338
Goodwill†	286	265
Attributable	2,827	2,272
Dividends	1,244	991

† Arising on consolidation.

As a result of the continuing pressure on margins, profitability in the first three months of the current period was below that achieved during the same period last year, the directors add.

Turnover has increased and, with the benefits of the major capital expenditure programme coming through, they are hopeful of a satisfactory full-year outcome.

The net total dividend is raised 20 per cent to 4.2p (3.5p), with a final of 3p. Earnings per 10p share are given as 11.26p (11.85p) basic, and as 10.96p (11.41p) fully diluted.

● comment

High hopes for the DIY sector lay behind Aaronson's heavy capital spending in recent months. Over the last year it has acquired assets from Melinate and Formica and by the end of this year it will have on stream a £5m chipboard plant in Northern Ireland. To finance this expansion it made a £4m rights issue in 1977-78 and since then has run down cash of £1.9m and run up borrowings of £4.5m. The investment programme is now complete and Aaronson has deferred, at least for this year, the establishing of its own distribution network which might have cost another £5m. Maintaining prices has cut one-and-a-half points from pre-tax margins but increases since the year-end have served to keep the company in step with higher oil-based raw material costs. With a one or two-month contribution from the Northern Ireland plant outside forecasts are for a pre-tax profit over £5m. The fully diluted historic p/e of 5.4 on stated earnings and 10 per cent yield at 62p indicates that the market is taking what the DIY "bulls" may consider an unnecessarily cool view.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Benn Brothers, Dowty, Singlo, Smith Bros.

Final—Sterling Trust.

FUTURE DATES

Interims—

Abercom	Feb. 12
Press Tools	Feb. 13
Second Alliance Trust	Feb. 22

Finals—

AI Industrial Products	Feb. 21
Alliance Trust	Feb. 22
Securicor	Feb. 13
Security Services	Feb. 13
Tube Investments	Mar 19

UK quotation dropped by Bradlows

Bradlows Stores, the South African departmental store group, is to discontinue its London Stock Exchange quotation for the ordinary and two classes of preference shares from March 3.

The company said that the decision was taken against a background of a steady decline in the number of shareholders in the UK. The R0.40 ordinary were last dealt in at 84p on December 7, the R2 6 per cent preference at 3p on July 13, and the R2. 6 per cent "A" preference at 50p on May 16.

Gough Cooper keeps up pace on private housing

Gough Cooper and Co. has an adequate land bank, having already bought two more sites in the current year, says Mr. John Boardman, chairman, referring to the group's housebuilding activities.

The group also has excellent support from its bankers and major building societies, he adds in his annual statement.

The private housing division exceeded expected volume of output in 1978-79 and the momentum has carried over into the current period. However the directors say it would be unwise to make predictions.

The group is not undertaking any more competitive tender contract housing work, as the chairman said in his last annual report. But it will continue to look for, design and build negotiated contracts.

Some competitive tender contracts in progress on September 30, 1978, are still being worked on, and costs are largely being contained within estimates. These contracts are scheduled to finish in the current year.

As reported on January 16, pre-tax profits jumped from £504,000 to £1.62m in the year to September 30, 1979, helped by a £1.37m turnround to profit in the housebuilding sector. The net total dividend is raised to 5.6p (5.36p).

The directors said in the preliminary statement that they were cautiously optimistic that good results could again be achieved in the current year.

Meeting, Bromley, Kent, on February 29, at noon.

Qualification for Whessoe

In view of the fundamental uncertainty surrounding a possible claim against Whessoe and Shell Internationale Petroleum Maatschappij by the Qatar Petroleum Producing Authority, the auditors of Whessoe's accounts say they are unable to form an opinion whether they give a true and fair view of the state of affairs of the company and the group at September 29, 1979.

Lord Erroll of Hale, chairman, says the significance, if any, of the QPPA claim for Whessoe, is at present neither quantified nor determinable and for that reason it is not yet possible to establish whether or not it may be appropriate for provision to be made and if so what specific sum. No provision, contingent or otherwise, has therefore been made in the accounts.

He adds that the appearance of this claim, which is bound to take a long time to resolve, has introduced uncertainty into a situation which the directors had good reason to view with some optimism.

Results for the year under review were reported on December 6 with the chairman's observations on prospects. They showed a decline in pre-tax profits from £2.89m to £1.37m but an advance from £0.86m to £1.02m in the available balance.

The directors said that the group had opened the current year in a far stronger and more secure situation than it had for many years.

Yearlings rise to record 16%

The coupon rate on this week's batch of local authority yearling bonds rose from 15½ per cent to a record 16 per cent. Issued at par, the stocks mature on February 11, 1981.

The issues are: South Hams DC (£0.5m), Wellingborough DC (£0.25m), Boston DC (£0.25m), London Borough of Redbridge (£1m), London Borough of Sutton (£1m), Strathclyde Regional Council (£2m), City of Dundee DC (£1m), Metropolitan Borough of Sandwell (£1.5m), Charnwood Borough Council (£0.5m), City of Leeds (£1.5m), London Borough of Merton (£1m), South Wight Borough Council (£0.75m), Slough Borough Council (£0.5m), Newport Borough Council (£1m), Renfrew DC (£0.5m), City of Sheffield (£0.75m), Metropolitan Borough of Rotherham (£0.5m), Kirklees Metropolitan Borough Council (£0.75m), and Clwyd County Council (£1m).

Comalco enjoys buoyant aluminium market

BY KENNETH MARSTON, MINING EDITOR

AGAINST THE background of a buoyant market for aluminium the Rio Tinto-Zinc group's Australasian producer of the metal and bauxite ore, Comalco, reports that after a A$10.2m (£4.9m) loss on the sale of investments (principally on the stake in International Containers of Hong Kong) it has made a net profit for 1979 of A$58.1m against A$37.4m in 1978.

As a result, the final dividend is raised to 9.5 cents (4.6p), making a total of 14.5 cents for the year. This compares with a 1978 total of 11 cents.

The group enjoyed higher prices for primary aluminium and alumina (a half-way stage between bauxite ore and aluminium metal) together with better returns on bauxite sales.

Comalco says that after meeting increased domestic commitments it had insufficient aluminium metal to take full advantage of high prices in international markets and had to purchase metal (8,000 tonnes) in order to meet some export contracts. Its own production of metal rose marginally to 190,406 tonnes.

Bauxite production rose by 16 per cent to 9.58m tonnes last year and sales increased by nearly 10 per cent to 9m tonnes. The company obtained a full year's benefit of its increased interest of 30.3 per cent in the Gladstone alumina refinery while production and sales of aluminium products were some 18 per cent higher.

Comalco is 45 per cent-owned by Conzinc Riotinto of Australia which, in turn, is 65.5 per cent owned by the London parent RTZ.

GOPENG TIN PRODUCTION

Production of tin concentrates at Malaysia's Gopeng Consolidated showed a further decline during January, but output of 675½ tonnes for the four months' period to the end of January is still ahead of the comparable period in 1978-79, when output totalled 651 tonnes.

Another good performance has been made by Pengkalen where production in the last four months amounts to 64¼ tonnes compared with 24 tonnes during the same period last year. Comparative figures for the group are detailed in the accompanying table.

	Jan. tonnes	Dec. tonnes	Nov. tonnes
Gopeng	158½	161	169½
Tanjong	10½	14½	14
Idris	18¾	19¾	24
Pengkalen	16¾	15¾	16½

Profit triples at Freeport

FREEPORT MINERALS, the U.S. group with interests stretching from sulphur through oil, gas and uranium to base and precious metals, earned record profits last year as net income climbed more than three times to $101.38m (£44.36m) from $31.27m in 1978.

The rise reflects what Mr. Paul Douglas, the president, said was a welcome restoration of more realistic cost-price margins. The good tone of demand for all the group's products meant that all sectors contributed to the earnings revival.

The group is predicting a further strong advance during the first half of the current year with, Mr. Douglas said, "excellent momentum towards future growth already in hand, plus improved copper, gold and silver prices."

The growth in Freeport's earnings is part of a wider trend which has seen a sharp recovery in the finances of North American mining groups. This recovery was evident in the results of:

● Sherritt Gordon Mines, the Toronto base metals and chemicals producer, which earned C$41m (£15.48m) in 1979 against C$14.4m in 1979, reflecting higher production, increased prices and a favourable exchange rate.

● Bethlehem Copper, the British Columbia producer, which had 1979 net profits of C$13.7m (£5.17m) compared with C$4.4m in 1978, after fourth quarter earnings which were not far short of total 1978 earnings.

● Vestgron Mines, the Arctic zinc-lead-silver producer in the Cominco group, where 1979 net profit jumped to C$27.7m (£10.46m) from C$3.7m the previous year as zinc inventories were run down and prices moved higher for lead and silver.

● Pine Point Mines, another Cominco lead-zinc producer, whose North West Territories operations were sufficiently successful to boost net income last year to C$43m (£16.2m) from C$16.3m in 1978.

● Cyprus Anvil Mining of Vancouver, which gained the benefit of higher lead, zinc and silver prices from its Faro mine in Yukon, and pushed 1979 net earnings to C$38.3m (£14.46m) from C$7m in the year before, despite production losses during a strike in September and October.

Institutions sell Cedar properties for £17.3m

BY CHRISTINE MOIR

THE CONSORTIUM of institutions which provided an £80m rescue package for fringe bank Cedar Holdings in 1975 has finally sold for £17.3m the portfolio of properties acquired at the time as securities.

Contracts were exchanged last night between PECU, an acronym for the National Coal Board, Electricity Supply and Unilever pension funds and Phoenix Assurance, who undertook the rescue, and a group of private investors led by Mr. Godfrey Bradman, chairman of the private financial services group London Mercantile Holdings.

The portfolio of properties includes some 200 units spread throughout England and Scotland, ranging from very small secondary buildings to Cedar's now-vacant former headquarters in Pall Mall, which has a likely current market value of £3m.

It does not include the plum in Cedar's portfolio, the 15-storey office, shops and flats complex at 65 Buckingham Gate, which PECU acquired separately for £1.5m when it was merely a hole in the ground.

That property is now let to Rolls-Royce at a rent believed to be around £650,000 and currently under review. The consortium of institutions will shortly be marketing the building at a reserve price thought to be in excess of £16m.

The institutions moved into Cedar in April 1975 when they offered shareholders a choice between liquidation or a takeover by PECU which, together with Barclays Bank, pumped £80m into the company.

Since then Cedar has struggled back to profitability and early last year was bought by Lloyds and Scottish for £9.6m. The properties, however, remained with the institutions.

Mr. Bradman has been particularly active in the property market in the last couple of years. He first acquired a portfolio of properties from Legal and General for £15m and shortly after acquired International House in Tottenham Court Road from Maples for £11m. Both deals involved a company called Rosehaugh in which the Bernard Sunley Investment Trust, since absorbed by Eagle Star Assurance, held a stake.

Guthrie moves into Philippines with £20m joint venture

The Guthrie Corporation is to make its first investment in the Philippines. The UK-based plantations company has signed a £20m joint venture agreement with the National Development Company, a corporation owned by the Government of the Philippines.

This is Guthrie's first major plantations investment outside Malaysia. However, the group expects to announce details of four or five similar ventures in other territories within the next 18 months.

The joint company, owned 60 per cent by the NDC and 40 per cent by Guthrie, is to develop 20,000 acres of oil palm estates at Agusan Del Sur (Mindanao). The project involves the development of forest land into a major oil palm plantation and a new township to house the 2,000 to 3,000 employees working on the venture.

Guthrie will be responsible for field operations, technical support services, training and plantation technology.

The development should be profitable in about four years and is expected to yield around 11 tonnes of oil palm annually per acre. The current delivered price of the commodity is $682 per tonne.

Guthrie's South East Asian operations, principally 190,000 acres of rubber and oil palm plantations in Malaysia, contributed £20.5m of total group operating profits of £25.5m in 1978. The group must surrender 70 per cent of its plantation assets to Malaysian control in the next decade to fulfil the decrees of the National Economic Policy.

Guthrie Ropel, a 60 per cent-owned quoted subsidiary, already controls 60,000 acres of the group's assets and is to be used as the vehicle for the eventual transfer of the remaining group acreage.

Sime Darby (Holdings), the Far Eastern conglomerate, is widely expected to relaunch an offer for Guthrie when the time-limit expires at the end of next month. Its original bid, narrowly defeated last year, was equivalent to 535p per share in cash and paper but estimates of Guthrie's asset backing have subsequently been revised to around 850p per share.

OIL AND GAS NEWS

Amoco's Philippines field to produce this year

THE CADLAO oilfield off the coast of Palawan Island in the Philippines will be brought to production by the last quarter of this year and not later than January next year according to Oscar Hilado, president of consortium-member Trans-Asia Oil and Mineral Development Corporation. The consortium, which is led by Amoco, includes Husky Oil and Balabac Oil Exploration.

Initially, production will be at a rate of 15,000 barrels a day, rising to 30,000 barrels a day after the first six months.

The Cadlao field is situated about 20 miles north of the Nido oilfield which is currently producing around 40,000 barrels a day. Production at the Nido complex began last March and meets around 15 per cent of Philippines domestic requirements based on 1978 consumption figures. Output from Cadlao would raise local supply to about 23 per cent on the same basis.

The oil in Cadlao was previously reported to be low in sulphur, slightly better than Arabian Light and comparable to Indonesian and Brunei crude which bring premium prices.

Meanwhile, another consortium of oil exploration companies operating off the coast of Palawan Island has acquired a drillship which is scheduled to arrive next month.

The rig, Wodeco, owned by Western Offshore of Houston, Texas, brings to seven the number of drillships operating in the Philippines.

The consortium, which starts drilling this month off the Palawan coast, includes Basic Petroleum and Minerals, Landoil Resources, Oriental Petroleum and Minerals, Anglo-Philippine Oil and Mining Development and the State-owned Philippine National Oil Company. Operator for the group is Pecten Philippines, a subsidiary of Shell International of the U.S.

* * *

The U.S. subsidiary of Canada's Warrior Resources, a junior oil and gas exploration company, has completed three deals involving oil and gas properties in Alaska, Oklahoma and Texas.

Last November around twenty British institutions subscribed C$7m for 3.5m Warrior shares through a placing by Canadian brokers Mead and Company.

In West Texas Warrior has acquired an average 93.3 per cent working interest in leases of around 3,500 acres with 22 stripper oil and gas wells at a cost of U.S. $1.4m (£615,655). Independent analysis indicates that the producing wells have an excess of 200,000 barrels of proved developed reserves.

The Alaska aquisition is a near 25 per cent interest in Chinook Alaska Limited. The latter has a 9.75 per cent interest in around 12,000 acres in the Cook Inlet region on which two gas finds have been made. Warrior is optimistic over the oil potential of the lease.

In Oklahoma Warrior has purchased for U.S.$90,000 leaseholds over several prospects and has committed a further U.S.$100,000 towards continuing lease acquisitions in the study area. Warrior and its partners anticipate an active exploration drilling programme this year on these holdings.

* * *

Two of the junior partners in Australia's Cooper Basin consortium—Basin Oil NL and Reef Oil NL—expect the Cooper Basin project to be given the go-ahead early this year.

The Cooper Basin project is the largest onshore petroleum energy resource in Australia. Basin Oil NL and Reef Oil NL are both controlled by Bond Corporation, which also has a sizeable stake in Santos, another Cooper Basin gas producer.

Basin Oil and Reef Oil have approximately 2.5 per cent each of the proven and probable reserves of the Cooper Basin estimated in 1977 to stand at 317m barrels of liquids plus 3.5bn cubic feet of gas.

In their respective quarterly reports Basin and Reef say that seismic work is being carried out this year with the aim of locating further crude oil reserves.

The two companies earned $A75,022 during the quarter as their part of gas sales to Sydney and Adelaide. This produced a net surplus of $A29,188 credited to the exploration and development accounts of each company.

* * *

Japan's Mitsubishi Petroleum Development is to begin commercial production of crude oil from deposits off the coast of Gabon in May, jointly with Elf Gabon.

Initial crude oil production will be 2,000 barrels daily, which will be expanded to 10,000 barrels by the end of the year. Recoverable oil reserves are put at 6m tonnes, according to Mitsubishi. About 50 per cent of the oil will be shipped to Japan.

Petro-Canada, Canada's national oil company, through its exploration subsidiary, has taken over as operator of the Labrador group for the 1980 drilling season from Total Eastean Exploration, a group led by the Total interests.

It will be the first major frontier exploration programme to be operated by Petro-Canada, reports Robert Gibbens from Montreal.

During the drilling season, which normally lasts from July to October, three offshore rigs will be used off the southern Labrador coast. The Labrador group, which has made three gas discoveries off this coast, includes AGIP, Amerada Hess, Aquitaine Canada, Gulf Canada, Suncor and Total.

BASE LENDING RATES

A.B.N. Bank	17 %
Allied Irish Bank	17 %
Amro Bank	17 %
American Express Bk.	17 %
Henry Ansbacher	17 %
A P Bank Ltd.	17 %
■ Arbuthnot Latham	17 %
Associates Cap. Corp.	17 %
Banco de Bilbao	17 %
Bank of Credit & Cmce.	17 %
Bank of Cyprus	17 %
Bank of N.S.W.	17 %
Banque Belge Ltd.	17 %
Banque du Rhone et de la Tamise S.A.	17½%
Barclays Bank	17 %
Bremar Holdings Ltd.	18 %
Brit. Bank of Mid. East	17 %
■ Brown Shipley	17 %
Canada Perm't Trust	17 %
Cayzer Ltd.	17 %
Cedar Holdings	17 %
■ Charterhouse Japhet	17 %
Choulartons	17 %
C. E. Coates	17 %
Consolidated Credits	17 %
Co-operative Bank	*17 %
Corinthian Secs.	17 %
The Cyprus Popular Bk.	17 %
Duncan Lawrie	17 %
Eagil Trust	17 %
E. T. Trust Limited	17 %
First Nat. Fin. Corp.	18½%
First Nat. Secs. Ltd.	18 %
Robert Fraser	18 %
■ Antony Gibbs	17 %
Greyhound Guaranty	17 %
Grindlays Bank	‡17 %
■ Guinness Mahon	17 %
■ Hambros Bank	17 %
■ Hill Samuel	§17 %
C. Hoare & Co.	†17 %
Hongkong & Shanghai	17 %
Industrial Bk. of Scot.	17½%
Keyser Ullmann	17 %
Knowsley & Co. Ltd.	18½%
Lloyds Bank	17 %
Edward Manson & Co.	18 %
Midland Bank	17 %
■ Samuel Montagu	17 %
■ Morgan Grenfell	17 %
National Westminster	17 %
Norwich General Trust	17 %
P. S. Refson & Co.	17 %
Rossminster	17 %
Ryl. Bk. Canada (Ldn.)	17 %
Schlesinger Limited	17 %
E. S. Schwab	17 %
Security Trust Co. Ltd.	18 %
Standard Chartered	17 %
Trade Dev. Bank	17 %
Trustee Savings Bank	17 %
Twentieth Century Bk.	17 %
United Bank of Kuwait	17 %
Whiteaway Laidlaw	17½%
Williams & Glyn's	17 %
Yorkshire Bank	17 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15½%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15½% and over £25,000 15¾%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

Glaxo Australia offers £7.3m for drugs group

BY JAMES FORTH IN SYDNEY

Glaxo Australia, a subsidiary of Glaxo Holdings, is making a A$15m (£7.27m) cash offer for F. H. Faulding, a local pharmaceutical group.

The bid comprises $1.60 a share for the ordinary units and $2 a share for the preference capital. This compares with a closing price of $1.30 for Faulding shares in Sydney on Tuesday.

This is the second offer for Faulding within 12 months. Last year, Kiwi International made a $10m unsuccessful bid, but ended up with about 20 per cent of the capital.

The Glaxo offer is conditional on 90 per cent acceptance, which means that it will need the approval of Kiwi.

Glaxo said the bid detailed discussions ing. If successful, Gl to sell Faulding's operations to the Zuellig Group, which ties with Glaxo.

The Zuellig purchas made in conjunct Selpam (Aust.), a owned Australian company. This would some 40 per cent o would be retained in

Australasia sales amounted to £16.6m the year to June 30 of total turnover (£543.5m).

BICC expansion appro by Canadian Governm

BICC, the cable and engineering group, has won Canadian Government approval for its plans to expand Phillips Cables, the Canadian subsidiary.

This means that Phillips can go ahead and take over the power cable business of Northern Telecom Canada and the wire and cable division of ITT Industries of Canada, a plan originally rejected by the Canadian Foreign Investment Review Agency in December.

The cost of the acquisitions is C$16m (£6m) of which some 25 per cent represents an amount required for the integration of the production facilities. The money will be provided from internally generated funds and bank borrowings.

When BICC's original attempt at the deal was turned down, Mr. Robert de Cotret, the Canadian minister involved, said that there was some overcapacity in the Canadian electrical wire industry and cable industry and some rationalisation and consolidation might be inevitable. But he felt therec were not enough offset the negative increased concentratio loss of control.

Mr. D. H. Rooney, vice-chairman of BICC man of BICC Intern yesterday that in its tion, the group con Canadian authorities deal was in the interest. The applic based on a strengt undertakings previo rather than any new being involved.

Phillips Cables is Canadian company w over in 1978 of (£41.9m). Phillips ha year but a significa performance had bee for 1979. Mr. Rooney that the 1979 result w improved one.

Both the acquisitio integrated into Phill and construction pro nesses over two years. to BICC the two bus profitable and would with Phillips.

EUROPEAN OPTIONS EXCHAN

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last
ABN C	F.3.20	5	4	—	—	—	—
AKZ C	F.22.50	45	3.50	5	4	—	—
AKZ C	F.25	171	1.40	63	1.90	52	2.60
AKZ C	F.27.50	30	0.50	50	0.80	—	—
AKZ C	F.30	50	0.10	7	0.20	—	—
AKZ P	F.25	113	0.70	5	0.90	—	—
AKZ P	F.27.50	52	2.20	2	2.50	—	—
ARB C	F.65	1	1.80	—	—	—	—
CSF C	F.400	2	167	—	—	—	—
HEI C	F.70	—	—	10	7	—	—
HEI C	F.75	1	2.40	10	4	—	—
KLM C	F.60	25	15	—	—	1	17.50
KLM C	F.70	110	6.30	31	8.80	5	9.80
KLM C	F.80	112	2.10	10	3.80	—	—
KLM C	F.90	67	0.60	13	1.30	—	—
KLM C	F.100	1	0.30	—	—	—	—
KLM C	F.110	5	0.10	—	—	—	—
KLM P	F.60	56	1.30	—	—	—	—
KLM P	F.70	78	3.40	5	4.90	—	—
KLM P	F.80	65	8.30	6	9	—	—
KLM P	F.90	22	17	—	—	—	—
NN P	F.125	23	1.50	—	—	—	—
NN C	F.115	—	—	5	1.50	—	—
PET C	Fr.6000	5	240	3	3.70	—	—
PET P	Fr.6000	1	480	—	—	—	—
PHI C	F.20	—	—	—	—	95	2.20
PHI C	F.22.50	55	0.40	55	0.70	23	1
PHI C	F.25	2	0.10	—	—	—	—
RD C	F.145	2	14.60	—	—	10	16
RD C	F.150	1	10.50	—	—	—	—
RD C	F.160	75	4.20	12	5.40	12	7.10
RD P	F.145	230	0.70	—	—	—	—
RD P	F.150	77	2	—	—	—	—
RD P	F.160	90	6	—	—	—	—
UNI C	F.115	10	4.50	1	6.80	—	—
UNI C	F.125	10	1	—	—	—	—
UNI P	F.115	—	—	10	3.70	—	—
		Feb.		May		Aug.	
BA C	$50	1	15¼	—	—	—	—
BA C	$60	—	—	1	9	—	—
OXY C	$25	1	3⅜	—	—	—	—
OXY C	$30	—	—	—	—	2	3¾
SLB C	$80	2	27	—	—	—	—
SLB C	$90	—	—	12	19½	—	—
SLB C	$100	—	—	—	—	2	13½
TOTAL VOLUME IN CONTRACTS						2103	

C=Call P=Put

Jonas Woodhead to buy 75% in French company

Jonas Woodhead and Sons has agreed to buy 75 per cent of Construction et Refection Technique et Moderne, of Clichy, France for FFr 8.63m (about £929,500).

The net assets of the French company at December 31, 1978, were FFr 6.4m and its sales for 1979 are expected to exceed FFr 27m.

CRTM manufactures shock absorbers under the brand name Amortex.

The contract is conditional upon specified trading targets for 1979 being achieved. Consent of the appropriate French Government department and a satisfactory report from Woodhead's investigating accountants.

The sale is in accordance with Nash's stated policy of concentrating its activities in the field of motor manufacturing, packaging and engineering. Proceeds have been applied in reducing bank borrowings.

VITA-TEX OFFER UNCONDITIONAL

Acceptances of British Vita's offer for Vita-tex have been received in respect of 3.21m shares (95.56 per cent). Accordingly the offer has become unconditional.

British Vita intends in due course to apply the provisions of Section 209 of the Companies Act 1948 to acquire compulsorily the remainder of the issued share capital of Vita-tex.

At an EGM of Vita-tex the company passed resolutions ratifying the proposed Buy-Back transaction and authorising the Capital Reorganisation, and that Mr. Duncan Lawton and Mr. David Hine have been invited to join the Board of Vita-tex.

The merger is not to be referred to the Monopolies Commission.

EPICURE SELLS SUBSIDIARY

Epicure Holdings is selling its subsidiary Lincoln Wood Working Company and its associate, Linwood and Co., to Magnet and Southerns. Consideration is based on net asset value of about £425,000 to be satisfied by ordinary shares.

Magnet intends to continue the businesses and no redundancies are envisaged.

JARDINE SELLS AUSTRALIAN SIDE

Jardine, Matheson and Co. is selling its Australian subsidiary, Toft Bros. Industries, to Versatile Cornat Corporation of Canada. Subject to Australian Government approval, the sale will be completed by February 29, 1980.

MUIRHEAD CHIEF INCREASES STAKE

As Muirhead waits patiently to learn more about the intentions of its major U.S. shareholder, Tyco Laboratories, the chairman of the UK electrical and electronics group has increased his own stake in the company.

With the purchase of a further 27,500 shares, Sir Raymond Brown has lifted his holding in Muirhead, of which he is also managing director, from 5.4 per cent to 6.3 per cent, or 527,000 shares.

Tyco now owns nearly 23 per cent of Muirhead, after last week buying the 8.4 per cent stake previously held by the Kuwait Investment Office.

WILLIAMS HUDSON

The foeign investment review agency in Canada has rejected a proposal by Williams Hudson Canada, a unit of Williams Hudson of the UK, to acquire control of Trans-Canada Resources, Canadian Trade Minister Mr. Robert de Cotret announced.

Trans-Canada is a small oil and gas development company with interest in the service field.

J. F. NASH

J. F. Nash Securities has completed the sale of its credit retailing interests for £269,000 cash. The transaction has been effected by a subsidiary of Nash selling the share capitals of J. H. Evans and its sister finance company for £210,000 and receiving loan repayments totalling £59,000 from these companies.

The Evans Group had net tangible assets of £310,000 and bank and other borrowings of £635,000 at September 30, 1979. In the year ended on that date, pre-tax profit of the Evans Group was £18,000.

Companies and Markets

CURRENCIES, MONEY and GOLD

Pound strong

STERLING recovered in late trading after initial disappointment at the UK banking figures released yesterday afternoon. The pound's trade-weighted index, as calculated by the Bank of England, opened at 72.6 and rose to 72.7 at noon, before closing at 72.5—the highest finishing level since last July—compared with 72.3 on Monday.

Sterling opened $2.2895-2.2905 and after easing to $2.2880-2.2870, improved to $2.2910-2.2920 at mid-day. Good demand pushed the pound to a peak of $2.2955-2.2965, but it fell quite sharply on the banking figures to a day's low of $2.2855-2.2865, before the prospect of continued high interest rates and the growing value of North Sea oil led to renewed buying. The pound finished at $2.2900-2.2910, a rise of 50 points on the day.

The dollar was slightly easier on balance, but traded within a narrow range in the absence of any major news. It rose slightly to DM 1.7420 from DM 1.7415 against the D-mark, but fell to Y239.90 from Y240.25 in terms of the yen, and to SwFr 1.6240 from SwFr 1.6310 against the Swiss franc. The dollar's index, on Bank of England figures, fell to 85.1 from 85.2.

D-MARK—Very strong, but remaining steady within the European Monetary System recently—The D-mark showed mixed changes at the Frankfurt fixing. The Bundesbank did not intervene when the dollar fell to DM 1.7432 from DM 1.7459. Sterling rose to DM 3.9970 from DM 3.97 at the fixing, and the Swiss franc to DM 1.0695 from DM 1.0675. Within the EMS the French franc was unchanged at DM 42.68 per 100 francs, while the Italian lira, Belgian franc, and Danish krone lost ground, but the Irish punt and Dutch guilder were firmer. Trading was generally quiet in Frankfurt, with the dollar moving within a narrow range, while the pound benefited from high interest rates and increases in oil prices.

FRENCH FRANC—Strongest EMS currency since December, but now challenged by Italian lira—The franc improved against most other EMS currencies, but lost ground against the Dutch guilder and Irish punt. Among non EMS currencies the dollar fell to FFr 4.0835 from FFr 4.0910, but sterling, the Swiss franc and Japanese yen were firmer.

DANISH KRONE — Basically weak, suffering two devaluations since the EMS began last March — The krone improved slightly against the Italian lira at the Copenhagen fixing, but lost ground against its other EMS partners. The Deutsche Mark rose to DKr 3.1285 from DKr 3.1275, and the French franc to DKr 1.3360 from DKr 1.3350. Outside the EMS the dollar fell to DKr 5.4520 from DKr 5.4590, while sterling rose to DKr 12.4845 from DKr 12.4070.

ITALIAN LIRA — In heavy demand following tight domestic money conditions, and vieing with French franc at top of EMS — The lira lost ground against most major currencies at the Milan fixing. Members of the EMS were generally firmer, although the Danish krone eased to L148.35 from L148.42. Elsewhere the dollar declined to L808.30 from L809.30, but sterling was fixed higher at L1,854.10 compared with L1,839.60.

BELGIAN FRANC — Generally weakest member of EMS, but resists devaluation — The franc was fixed in terms of major currencies at the Brussels fixing. The Deutsche Mark fell to BFr 16.24675 from BFr 16.2490, the Danish krone to BFr 5.195 from BFr 5.2020, and the Italian lira to BFr 3.503 from BFr 3.505 per 100 lira. On the other hand the Irish punt, French franc and Dutch guilder gained ground.

THE POUND SPOT AND FORWARD

Feb. 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2855-2.2965	2.2900-2.2910	0.63-0.53c pm	3.04	1.85-1.75 pm	3.14
Canada	2.6550-2.6650	2.6590-2.6600	0.98-0.83c pm	4.20	2.47-2.37 pm	3.64
Nethlnd.	4.39-4.43	4.40¼-4.41¼	2⅞-1⅝c pm	5.78	6⅛-5⅛ pm	5.67
Belgium	64.50-65.10	64.70-64.80	20-10c pm	2.78	52-42 pm	2.90
Denmark	12.43½-12.52½	12.46-12.47	1¼-3¼ore dis	−2.17	6¾-8¼ dis	−2.33
Ireland	1.0735-1.0835	1.0782-1.0792	0.05-0.15p dis	−1.11	0.17-0.27dis	−0.81
W. Ger.	3.97-4.01	3.98¾-3.99¾	3⅝-2⅝pf pm	9.39	9⅝-8⅝ pm	8.64
Portugal	114.60-115.40	114.85-115.05	15c pm-35 dis	−2.61	5-105 dis	−1.91
Spain	151.15-151.85	151.30-151.40	10-60c dis	−2.77	30-130 dis	−2.11
Italy	1,847-1,856	1,850-1,851	par-2lire dis	−0.65	7-9 dis	−1.73
Norway	11.15-11.22½	11.17½-11.18½	6¾-4¾ore pm	6.17	17½-15½ pm	5.90
France	9.31½-9.38	9.34½-9.35½	4¾-3¾c pm	5.45	11¼-10¼ pm	4.60
Sweden	9.50-9.57	9.51¾-9.52¾	2¾-¼ore pm	2.20	7¾-5¾ pm	2.62
Japan	545-555	549-550	*4.50-4.20y pm*	*9.50*	*12.05-11.75pm*	*8.66*
Austria	28.52-28.75	28.57-28.62	25-15gro pm	8.39	67-57 pm	8.87
Switz.	3.70-3.75	3.71¾-3.72¾	4½-3½c pm	11.68	11¾-10¾ pm	11.55

Belgian rate is for convertible francs. Financial franc 66.10-66.20. Six-month forward dollar 2.85-2.75c pm. 12-month 4.25-4.15c pm.

THE DOLLAR SPOT AND FORWARD

Feb. 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2855-2.2965	2.2900-2.2910	0.63-0.53c pm	3.04	1.85-1.75 pm	3.14
Ireland†	2.1195-2.1260	2.1245-2.1260	0.67-0.63c pm	3.67	2.08-2.03 pm	3.87
Canada	*1.1586-1.1617*	*1.1586-1.1589*	*0.05-0.02c pm*	*0.36*	*0.15-0.12 pm*	*0.47*
Nethlnd.	1.9210-1.9275	1.9255-1.9275	0.58-0.48c pm	3.30	1.45-1.35 pm	2.91
Belgium	28.24½-28.33	28.25-28.27	1½-½c pm	0.42	1 pm-1 dis	—
Denmark	5.4415-5.4515	5.4415-5.4430	2.00-2.50ore dis	−4.96	7.10-7.60dis	−5.40
W. Ger.	1.7385-1.7440	1.7415-1.7425	0.92-0.82pf pm	5.99	2.50-2.40 pm	5.62
Portugal	50.15-50.23	50.15-50.23	13-23c dis	−4.30	40-70 dis	−4.38
Spain	66.10-66.16	66.10-66.12	25-40c dis	−5.90	85-105 dis	−5.75
Italy	*807.95-808.50*	*808.00-808.30*	*2-3lire dis*	*−3.71*	*9½-10½ dis*	*−4.95*
Norway	4.8790-4.8865	4.8790-4.8800	1.60-1.10ore pm	3.32	3.90-3.40 pm	2.99
France	4.0775-4.0850	4.0810-4.0825	0.98-0.88c pm	2.73	1.75-1.65 pm	1.66
Sweden	4.1585-4.1655	4.1585-4.1600	par-0.20ore dis	−0.29	0.10-0.30dis	−0.19
Japan	239.60-240.00	239.85-239.95	1.40-1.25y pm	6.63	3.50-3.35 pm	5.71
Austria	12.48½-12.50½	12.48½-12.49	6.20-5.60gro pm	5.67	17.50-15.50pm	5.28
Switz.	1.6190-1.6330	1.6235-1.6245	1.27-1.20c pm	9.12	3.50-3.43 pm	8.53

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Feb. 4	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.577854	0.628326
U.S. $	13	1.31352	1.42944
Canadian $	14	1.52198	1.65344
Austria Sch	5¼	16.4637	17.9109
Belgian F.	10½	37.2514	40.5318
Danish K.	11	7.16591	7.79475
D'Mark	6	2.29327	2.49566
Guilder	9½	2.53509	2.75939
French Fr.	9½	5.37361	5.84713
Lira	15	1062.97	1156.78
Yen	6¼	316.296	343.638
Norwgn. Kr.	9	6.43165	6.99283
Spanish Pts.	8	86.9025	94.6005
Swedish Kr.	10	5.47659	5.95863
Swiss Fr.	2	2.14892	2.33857

CURRENCY MOVEMENTS

Feb. 5	Bank of England Index	Morgan Guaranty changes %
Sterling	72.5	−33.7
U.S. dollar	85.1	−8.2
Canadian dollar	81.4	−16.6
Austrian schilling	157.6	+23.9
Belgian franc	115.3	+13.7
Danish kroner	108.4	−3.4
Deutsche mark	157.8	+45.9
Swiss franc	200.6	+79.6
Guilder	125.8	+20.0
French franc	102.0	−6.8
Lira	55.1	−49.6
Yen	117.7	+16.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Feb. 5	£	$		£ Note Rates
Argentina Peso	3812-3832	1665-1675	Austria	28.40-28.65
Australia Dollar	2.0665-2.0705	0.9025-0.9030	Belgium	65.85-66.35
Brazil Cruzeiro	100-101	43.65-44.10	Denmark	12.46-12.53
Finland Markka	8.49-8.50	3.7045-3.7065	France	9.30-9.36
Greek Drachma	87.106-89.178*	38.10-38.30	Germany	3.99-4.015
Hong Kong Dollar	11.12-11.14	4.8540-4.8570	Italy	1896-1975
Iran Rial	n/a	n/a	Japan	548-558
Kuwait Dinar(KD)	0.618-0.628	0.2722-0.2723	Netherlands	4.40½-4.43
Luxembourg Frc.	64.70-64.80	28.25-28.27	Norway	11.17-11.24
Malaysia Dollar	4.9960-5.0070	2.1795-2.1805	Portugal	111½-116½
New Zealand Dlr.	2.3210-2.3260	1.0136-1.0145	Spain	151-158½
Saudi Arab. Riyal	7.64-7.74	3.3605-3.3615	Sweden	9.52-9.58
Singapore Dollar	4.9345-4.9455	2.1550-2.1560	Switzerland	3.71½-3.73½
Sth. African Rand	1.8735-1.8750	0.8180-0.8185	United States	2.291-2.299
U.A.E. Dirham	8.51-8.61	3.7428-3.7435	Yugoslavia	48-51

Rate given for Argentina is free rate. * Indication only.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 5	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5601	+1.94	+1.45	±1.53
Danish Krone	7.72336	7.80962	+1.12	+0.63	±1.64
German D-Mark	2.48208	2.49796	+0.64	+0.15	±1.125
French Franc	5.84700	5.85184	+0.08	−0.41	±1.357
Dutch Guilder	2.74352	2.75995	+0.60	+0.11	±1.512
Irish Punt	0.668201	0.675410	+1.08	+0.59	±1.668
Italian Lira	1157.79	1158.40	+0.05	+0.05	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Feb. 5	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.291	3.993	549.5	9.350	3.723	4.408	1851.	2.660	64.75
U.S. Dollar	0.437	1.	1.743	239.9	4.088	1.625	1.924	807.9	1.161	28.27
Deutschemark	0.250	0.574	1.	137.6	2.342	0.932	1.104	463.5	0.666	16.22
Japanese Yen 1,000	1.820	4.168	7.266	1000.	17.02	6.774	8.021	3368.	4.840	117.8
French Franc 10	1.070	2.450	4.270	587.7	10.	3.981	4.714	1979.	2.844	69.25
Swiss Franc	0.269	0.615	1.073	147.6	2.512	1.	1.184	497.1	0.714	17.39
Dutch Guilder	0.227	0.520	0.906	124.7	2.121	0.845	1.	419.9	0.603	14.69
Italian Lira, 1,000	0.540	1.238	2.158	296.9	5.053	2.012	2.382	1000.	1.437	34.99
Canadian Dollar	0.376	0.861	1.501	206.6	3.516	1.400	1.657	695.8	1.	24.35
Belgian Franc 100	1.544	3.537	6.166	848.6	14.44	5.749	6.807	2858.	4.107	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 13.90-14.00 per cent; three-months 14.15-14.25 per cent; six months 14.15-14.25 per cent; one year 13.75-13.85 per cent.

Feb. 5	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	n.a.	13⅛-13⅜	12½-13½	10¾-11	2⅛-2⅝	8¼-8⅜	11¾-12	13-16	—	4½-10½
7 days' notice	17¼-17¾	13⅜-13⅝	12½-13½	11-11¼	2½-2¾	8 7/16-8 9/16	11¾-12	14½-16½	13½-13⅝	6⅞-7⅛
Month	17⅞-18⅛	14 1/16-14 3/16	13¼-13⅝	11⅛-11⅜	5-5⅛	8⅜-8½	12-12¼	17¾-18¾	14 1/16-14 3/16	7 15/16-8⅛
Three months	17¾-18	14 7/16-14 9/16	13½-13⅞	11¼-11½	5 1/16-5 3/16	8½-8⅝	12⅜-12⅝	18½-19½	14 7/16-14 9/16	8¼-8 7/16
Six months	17⅞-18⅛	14¼-14½	13⅛-13½	11¼-11½	5¾-5⅞	8½-8⅝	13⅛-13⅜	19-19¾	14⅜-14½	8¼-8 7/16
One year	16-16¼	13⅞-14⅛	13-13⅜	11¼-11½	5 11/16-5 13/16	8 7/16-8 9/16	13¼-13½	19½-20½	13⅞-14	8⅛-8½

Long-term Eurodollar two years 13-13⅛ per cent; three years 12¾-12⅞ per cent; four years 12⅝-12¾ per cent; five years 12¾-12⅝ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

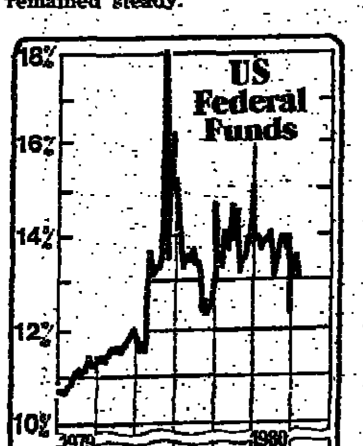
U.S. rates firm

U.S. Treasury bills opened higher yesterday following Monday's auction, with 13-week bills yielding 12.13 per cent against 12.086 per cent at the auction and 26-week bills at 12.02 per cent compared with 11.985 per cent. There were no new factors in the market, with dealers still able to run a profit on short-term bills over the cost of short-term financing. Later in the day interest was focused on the Treasury auction of $3½bn of 3½-year notes. Federal funds were trading at 13 per cent, little changed from opening levels.

In Frankfurt call money was quoted at 8.50-8.60 per cent, unchanged from Monday, while the one-month rate was slightly easier. Longer term rates were marginally higher.

In Paris call money eased to 12 per cent from 12⅛ per cent previously while period rates remained steady.

Interest rates in Amsterdam remained steady after last week's special advance to the market by the authorities of some Fl 890m. Call money was quoted at 10¾-11 per cent, unchanged from Monday, but longer term rates were firmer, reflecting expectations of a worsening in the cash flow situation from March onwards.



GOLD

Firmer trend

Gold rose $18½ to close at $683-688 in fairly quiet trading. The metal opened at $662-667 and touched a low point of $655-660. It was fixed at $661.25 in the morning, and $682.00 in the afternoon. Gold tended to rise on the opening of New York, while the market adopted a cautious attitude to today's auction of 444,000 ounces by the International Monetary Fund.

In Paris the 12½ kilo gold bar was fixed at FFr 86,000 per kilo ($672.18 per ounce) in the afternoon, compared with FFr 87,000 ($663.02) in the morning, and FFr 88,250 ($670.95) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 37,245 per kilo ($661.25 per ounce) compared with DM 37,780 ($672) previously.

	February 5		February 4	
Gold Bullion (fine ounce)				
Close	$683-688	(£298-300¼)	$664-670	(£291-293½)
Opening	$662-667	(£289¼-291½)	$664-670	(£292-294½)
Morning fixing	$661.25	(£288.718)	$672	(£295.671)
Afternoon fixing	$682	(£297.817)	$669.75	(£294.137)
Gold Coins				
Krugerrand	$687-693	(£300-303)	$666-671	(£291¾-294¾)
Mapleleaf	$687-693	(£300-303)	$666-676	(£291¾-296¼)
New Sovereigns	$168-173	(£73-75)	$165-168	(£72¼-74¼)
King Sovs.	$172-177	(£75-78)	$170-175	(£74½-77)
Victoria Sovs.	$173-178	(£75½-78½)	$172-177	(£75-78)
Fr 20 Napoleon	FFr695-705	(SFr240-250)	FFr 705-715	(SFr240-250)
50 pesos Mexico	$840-850		$827-837	
100 Cor. Austria	$660-670		$640-650	
$20 Eagles	$750-760		$740-750	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Small help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day to day credit remained in short supply in the London money market yesterday, and the authorities gave a small amount of assistance. This comprised small purchases of Treasury bills, both from banks and discount houses, and a small number of corporation bills all from the banks. The help was completed with a small amount lent to one or two houses at MLR for repayment today. Discount houses were paying around 16¾ per cent for secured call loans at the start, with later balances taken between 16½ per cent and 17 per cent.

The market was faced with a moderate net take up of Treasury bills to finance and the repayment of Monday's small market advances. On the other hand banks brought forward balances a small way above target.

In the interbank market, overnight money opened at 17½-17¾ per cent and traded around that level until early afternoon, when rates eased to 16½-16¾ per cent before coming back to 17½-17¾ per cent. Closing balances were taken in the region of 17 per cent. Longer term rates showed a slightly firmer tendency in reaction to the worse than expected UK banking figures for the five weeks to mid-January.

Rates in the table below are nominal in some cases.

MONEY RATES

NEW YORK	
Prime Rate	15¼
Fed. Funds	13
Treasury Bills (13-week)	12.13
Treasury Bills (26-week)	12.02
GERMANY	
Discount Rate	6
Overnight Rate	8.55
One month	8.60
Three months	8.85
Six months	8.80
FRANCE	
Discount Rate	9.5
Overnight Rate	12.0
One month	12.0625
Three months	12.1875
Six months	12.1875
JAPAN	
Discount Rate	6.25
Call (Unconditional)	8.1875
Bills Discount (three-month)	8.625

LONDON MONEY RATES

Feb. 5 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	16½-17½	—	—	—	17½-17¾	16½-17	—	—	—
2 days notice	—	—	17½-18	—	—	—	—	—	—	—
7 days or ...	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17⅝-17¾	17¾-18¼	—	18¼	17¾-18	16¾-17	—	—	—
One month	18-17⅞	17¾-17⅞	17⅞	19⅛-18¾	18¼	18-18¼	16⅝-16⅞	15 15/16-16	17⅞-17 15/16	18¼
Two months	18-17⅞	17¾-17⅞	—	18¾-18⅛	18¼	—	16¾	16 1/16-16 3/16	17¾	18
Three months	17⅞-17 13/16	17⅝-17⅞	17¾	18¼-17⅞	18¼	18-18¼	16⅜-16⅝	16⅛-16 3/16	17⅛-17½	17⅞
Six months	16⅞-16¾	16⅝-16⅞	16½-16¾	16⅞-16⅝	17¼	18	—	—	16-16¼	17
Nine months	16⅛-15 15/16	16⅛-16¼	—	16¾-16½	16⅝	—	—	—	—	—
One Year	15 15/16-15 13/16	15 15/16-16 1/16	15¾-15⅞	16⅛-15¾	16⅜	—	—	—	—	—
Two years	—	—	15⅝-15⅞	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 15¾-15⅞ per cent; four years 15⅛-15½ per cent; five years 15 5/16-15 7/16 per cent. ΦBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 17-17 1/16 per cent; four-month trade bills 17½ per cent.

Approximate selling rates for one-month Treasury bills 15 23/32-15⅞ per cent; two-months 15 15/16-16 1/16 per cent; three-months 16-16⅛ per cent. Approximate selling rate for one-month bank bills 17 13/16 per cent; two-months 17½ per cent; three-months 17¼-17½ per cent; one-month trade bills 18 per cent; two-months 17⅞ per cent and three-months 17⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from February 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1868 per cent.

A FINANCIAL TIMES SURVEY

Dover Port Expansion

March 25 1980

The Financial Times proposes to publish a Survey on the Dover Port Expansion. The provisional editorial synopsis is set out below:

Introduction

It is just over 25 years since Dover opened the first Roll-on/Roll-off ferry berth in Britain. Since then it has established itself as Europe's leading "Ro-Ro" ferry port. The completion of two new super berths plus the ancillary facilities is aimed at ensuring that Dover retains its leadership. An analysis of one of the major success stories in the British Ports industry and its future prospects.

Freight Traffic

For much of the 1970s the British economy has stagnated but Dover has pushed its commercial freight traffic from around 50,000 vehicles a year to well over 500,000.

Passenger Ferries

Dover is Britain's busiest passenger port and handles over half of all passenger sea traffic between the UK and Europe. Over the last decade the number of passengers passing through Dover has more than doubled and is now running at 9.0m plus per annum.

Hovercraft

Dover has invested heavily in the new Western Hoverport and the increased capacity has led to a market increase in hovercraft carryings in 1979. But with higher oil prices can the hovercraft compete with the traditional ferries over the long term?

Port Services

A review of the back-up facilities to cater for the massive growth in traffic that is predicted; customs clearance, forwarding agents, ships supplies.

The competitors

Dover's success has spawned a host of competitors along the coast. A study of the advantages and disadvantages of Folkestone, Newhaven and Ramsgate. Will the Brighton-Dieppe Jetfoil service siphon passenger traffic away from Dover?

Copy date March 10, 1980.

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The size, contents and publication date of Surveys in the Financial Times are subject to change at the discretion of the Editor.

NORTH AMERICAN NEWS

Sales and profits up at Boeing

BY IAN HARGREAVES IN NEW YORK

BOEING, the world's leading manufacturer of civil airliners, enjoyed rapid growth in sales and profits last year, but expects the pace of expansion to moderate this year.

The Seattle company yesterday reported a final quarter net income of $144.6m, equal to $2.25 a share—a 34 per cent gain on the same period of 1978—on sales which were up 43 per cent at $2.32bn. For the whole year, net profits were up by 56 per cent, from $322.9m or $5.04 a share to $505.4m or $7.88 a share, on sales which rose by just under half to $8.13bn.

Boeing said later that it expected 1980 sales, based on current programmes, to be in the region of $9.5bn for a 17 per cent gain on last year. This slowdown in growth, although still substantial, represents adjustment as the company phases in production of new designs and gradually reduces production schedules for older aircraft types.

At the end of last year, the company still had a long and stable orderbook, valued at $18.01bn, compared with $11.15bn at the end of 1978.

Boeing said that orders for 317 aircraft, valued at $9bn, were taken last year, somewhat lower than the 490 aircraft, valued at $11bn, in 1978.

Some 90 per cent of the $18.01bn orderbook represented commercial sales, the rest being defence orders with the U.S. Government.

Meanwhile, United Technologies, whose Pratt and Whitney subsidiary supplies engines for many Boeing airframes, also had record sales and income last year. The diversified company reported net profits for the final quarter of 1979 up 44 per cent at $89m or $1.64 a share on sales up 75 per cent at $2.98bn.

For the year, net income rose 39 per cent from $234m or $5.45 a share to $325.6m or $6.49 a share on sales which were 45 per cent higher at $9.05bn.

Mr. Harry Gray, chairman, said that growth in existing business and acquisitions had taken United Technologies into the top 20 of U.S. manufacturing companies. It had been "a very good year," he declared.

The company did not give a breakdown of earnings, but said that sales in the power divisions, which includes jet engines, rose by 28 per cent to $3.7bn. Flight systems operations increased sales by 31 per cent to $894m and the industrial products group, which includes such things as automotive, electronics and lifting equipment, saw sales shoot up by 63 per cent to $4.4bn.

French parent plans cuts at Korvettes

By Our New York Staff

AGACHE-WILLOT, the French commercial and industrial group, is to make big cuts in the operations of the U.S. Korvettes department store chain it bought less than a year ago for $51m.

Mr. Alain Mathieu, chairman of Korvettes, announced in New York that the company would be closing 14 of the company's 50 stores, displacing about 1,300 employees, some of whom will be offered transfer to surviving stores.

The action will knock about $100m off Korvettes' estimated $550m annual sales. The 13 stores in question lost around $3m in the past year and are thought to have dragged the whole company into losses for the fiscal year which ends this month.

In the year ended in February, 1979, Korvettes, which was then owned by Arlen Realty and Development Corporation, lost $25.4m.

The Agache-Willmot move is in the pattern set by other European interests which have bought into the U.S. retailing business. Cavenham of the UK and Tengelmann of West Germany have had similar experiences in recent years.

A week ago, Agache-Willmot disclosed that it would be seeking to sub-lease more than 13 per cent of Korvettes' total store space in an effort to eliminate losses.

Korvettes is the third largest retailer in the New York City metropolitan area after Macy's and Abraham and Straus. It will continue to operate 26 stores in and around New York; the remainder are in north-eastern states.

Mr. Nicholas Palihnich, Korvettes' president, said that the company's strategy was to position itself between the department and discount store markets, backed up by a drive to increase productivity and improve marketing and advertising.

COB reprimand, Page 23

Final quarter earnings halved at General Motors

BY OUR NEW YORK STAFF

PROFITS FOR General Motors, the world's largest motor manufacturer were more than halved in the final quarter of last year as it came under pressure from flagging sales, tougher competition and increased capital spending.

For the whole year, the company reported its first decline in earnings since the slump triggered by the oil price explosion of 1973-74.

Quarterly earnings were $426m against just over $1bn for the same period of 1978. For the whole year earnings fell by 17 per cent to $2.89bn on sales up by about 4 per cent, to $66.3bn.

One consequence of the fall in profits will be a cut in income for GM's top 6,800 executives whose bonus pool is being cut by over 20 per cent. Salary increases last year were held within the U.S. Government's 7 per cent wage guideline.

In spite of the fall in profitability, General Motors remains committed to its view that the U.S. economy is not heading for the kind of debacle it experienced in 1974. The economy remained "fundamentally sound," said Mr. Thomas Murphy, chairman, and Mr. Pete Estes, its president.

Strong advance at Storage Technology

By Our Financial Staff

THE FAST-RISING computer company, Storage Technology, of Colorado, which was founded in 1968, pushed fourth quarter net earnings up 15 per cent to $11.55m or 46 cents a share on sales which advanced 34 per cent to $134.2m.

On a yearly basis the profits rise of 48 per cent was even better, moving up to $39.75m or $1.58 per share compared with $26.81m or $1.15 in 1978. Sales rose 59 per cent to $479.5m.

Mr. Jesse Aweida, the president and one of the founders of the company, forecast an "excellent year" for 1980 and said that Storage Technology has resolved its production delays. Last year's results, he said, could have been even better except for production delays in the fourth quarter which affected shipments of several of the company's products. The company is now on the way to "full production quantities," he declared.

Sharp upturn for Greyhound

BY OUR FINANCIAL STAFF

A SUBSTANTIAL increase in earnings in the final quarter of last year is reported by Greyhound Corporation, operator of the largest bus system in the U.S. as well as of major meat and poultry processing plants. The board expects continued strength in 1980.

Over the full year, Greyhound earned $123m, or $2.60 a share. This shows a gain of 110 per cent over 1978, but earnings were hit in the previous year by a $51.4m charge in respect of closures of slaughterhouses and meat processing factories. Sales for the year put on 8 per cent to $4.71bn.

In the final quarter, Greyhound pushed earnings ahead by 35 per cent to $37.7m, or from 52 cents a share to 79 cents. At $1.21bn, sales were up by 3.9 per cent.

The company said that it saw a bright future for its transport operations, with dearer and scarcer fuel attracting more people to travel by bus.

It did expect some minor problems, such as a softening in the car and residential construction industries, clients of its food service and mortgage insurance companies.

At the nine-month stage, earnings were 150 per cent ahead, or 43 per cent after taking out the special charges of the previous year. Mr. Gerald Trautman, the chairman, was at that time expecting fourth quarter profits "perhaps a little better" than the $24.2m of the comparable quarter.

Greyhound has disclosed plans to double its bus manufacturing capacity next year at a cost of about $15m to $20m.

Earlier this year, the Board said that the recovery in earnings came primarily from the financial services division, which was doubling its profits.

Appeal over ERC ruling

HARTFORD — Connecticut General Insurance said that it will appeal the order of the Missouri Director of Insurance blocking its proposed acquisition of ERC Corporation.

Connecticut General said that it filed a petition with the circuit court of Cole County, Missouri, for appeal by trial de novo — described by Connecticut General as "trial from the beginning," which means that the regulatory decision will not be part of the testimony presented at the trial.

The company said that the petition states that it is without prejudice to Connecticut General's right first to seek a rehearing on its application which is now pending before the Missouri Director of Insurance.

Connecticut General said that the petition also states that it does not intend to pursue the appeal unless the director rules adversely on the motion for rehearing or after the rehearing itself.

Reuter

Record quarter for Emerson

BY OUR FINANCIAL STAFF

A MODEST tightening of profit margins in the first quarter of the current year is reported by Emerson Electric, the St. Louis-based manufacturer of electrical and electronic components. Nonetheless, the net total is 17 per cent higher at a record $53.5m, after the 1978 figures have been restated for pooled acquisitions. Share earnings are 89 cents a share, against 77 cents last time. At $711.6m, sales are 24 per cent higher.

At the year end, Emerson, which has an enviable growth record over the past 10 years, showed a 16 per cent gain in earnings—but in the final quarter, the gain was 18 per cent.

Emerson, the leading manufacturer of a broad range of energy control systems, finds about 58 per cent of its profits from commercial and industrial sales, mainly in component sales t othe rcompanies. The consumer sector, which accounted for about 36 per cent of profits at the 1978 year-end, is likely to become of increasing importance to the group as the decade advances, according to Mr. C. F. Knight, the chairman.

For the current year, earnings in the $3.60 a share area have been predicted on Wall Street. While some slowdown in residential housing and consumer divisions is likely, this could be made up in non-residential buildings, process control and defence.

Mr. Knight told the annual meeting that productivity gains were better than expected in the first quarter, and that Emerson was on schedule toward its cost reduction target of 100m for fiscal 1980.

Demand for capital goods products, led by process control and instrumentation businesses, continued strong in the quarter, while Government and defence backlogs rose to $350m from more than $320m last September.

Emerson was ahead of its 1980 target of achieving $200m in new product sales, said Mr. Knight.

Xerox pays more

Xerox, which last week reported an 18 per cent gain in 1979 earnings to $563.1m, is increasing its quarterly dividend from 60 cents to 70 cents a share, agencies report from New York. The dividend is payable April 1 to shareholders registered on March 7.

Bendix bid cleared

Bendix, the automotive and aerospace products manufacturer, said the Federal Trade Commission has agreed to terminate its investigation of the proposed acquisition of Warner and Swasey, the machine tools group, agencies report from New York. This will allow Bendix to purchase 1.6m Warner shares previously tendered to it and to proceed with the acquisition.

Tristar loss at Lockheed

BY DAVID LASCELLES IN NEW YORK

LOCKHEED, the large U.S. aircraft manufacturer, yesterday reported a sharp drop in 1979 earnings, mainly because of losses on the Tristar jumbo jet. Operating earnings were $36.5m or $2.16 a share, down 50 per cent on income from continuing operations of $55m or $3.51 a share in 1978. But sales for the full year were $4.06bn, up on $3.48bn the year before.

Part of the drop in profits came in the fourth quarter, when Lockheed earned $13.7m or 85 cents a share, down from $16.6m or $1.07 a share in 1978. Sales of $1.04bn were identical to those of a year ago.

Mr. Roy Anderson, chairman and chief executive, noted that the drop in 1979 operating earnings was due mainly to losses, actual or anticipated, on the Tristar programme. The jet, which uses Rolls-Royce engines, lost $108m in 1979, against a loss of $119m in 1978.

Metals group sees growth

NEW YORK — Kennametal, the metals and tools group, expects the year ending June 30 to show higher earnings and sales over fiscal 1979. In 1979, earnings rose by 50 per cent to $33.5m or $5.61 per share, on sales of $266.6m

The company said, however, that for the remainder of the 1980 fiscal year it did not expect the "rapid growth" experienced in the last few years.

Reuter

AMERICAN QUARTERLIES

ABITIBI-PRICE

	1979 $	1978 $
Fourth quarter		
Revenue	373.9m	329.8m
Net profits	31.6m	24.3m
Net per share	1.57	1.22
Year		
Revenue	1.47bn	1.29bn
Net profits	114.1m	78.7m
Net per share	5.62	3.98

AMETEK

	1979 $	1978 $
Fourth quarter		
Revenue	96.1m	82.4m
Net profits	4.7m	4.4m
Net per share	0.44	0.41
Year		
Revenue	392.9m	320.7m
Net profits	22.4m	19.4m
Net per share	2.11	1.85

ANCHOR HOCKING

	1979 $	1978 $
Fourth quarter		
Revenue	215.9m	183.0m
Net profits	10.1m	9.19m
Net per share	0.98	0.90
Year		
Revenue	785.2m	716.8m
Net profits	31.6m	35.9m
Net per share	3.09	3.52

CONRAC

	1979 $	1978 $
Fourth quarter		
Revenue	36.9m	30.9m
Net profits	1.98m	†1.25m
Net per share	0.92	†0.66
Year		
Revenue	137.2m	117.9m
Net profits	1.24m	1.66m
Net per share	0.42	0.63

† Loss

FIRST CHARTER FINANCIAL

	1979 $	1978 $
Fourth quarter		
Revenue	236.9m	189.3m
Net profits	22.39m	29.96m
Net per share	0.75	0.91
Year		
Revenue	846.3m	712.8m
Net profits	90.85m	105.35m
Net per share	3.05	3.55

INT. FLAVORS & FRAGRANCIES

	1979 $	1978 $
Fourth quarter		
Revenue	92.1m	86.4m
Net profits	12.44m	12.17m
Net per share	0.34	0.33
Year		
Revenue	409.3m	365.9m
Net profits	61.47m	56.19m
Net per share	1.68	1.53

KAUFMAN & BROAD

	1979 $	1978 $
Fourth quarter		
Revenue	167.5m	144.9m
Net profits	10.23m	7.33m
Net per share	0.84	0.45
Year		
Revenue	495.5m	484.7m
Net profits	19.22m	19.47m
Net per share	1.54	1.19

KNIGHT-RIDDER NEWSPAPERS

	1979 $	1978 $
Fourth quarter		
Revenue	267.2m	242.8m
Net profits	24.46m	23.02m
Net per share	0.75	0.70
Year		
Revenue	391.4m	361.6m
Net profits	88.36m	78.76m
Net per share	2.63	2.34

LENOX

	1979 $	1978 $
Fourth quarter		
Revenue	67.2m	58.1m
Net profits	7.39m	6.09m
Net per share	1.68	1.39
Year		
Revenue	218.1m	200.8m
Net profits	16.7m	14.63m
Net per share	3.80	3.34

LIGGETT GROUP

	1979 $	1978 $
Fourth quarter		
Revenue	284.1m	228.9m
Net profits	9.77m	9.69m
Net per share	1.12	1.11
Year		
Revenue	1.06bn	925.7m
Net profits	52.09m	27.41m
Net per share	6.02	2.93

McGRAW-HILL

	1979 $	1978 $
Fourth quarter		
Revenue	262.7m	219.4m
Net profits	21.88m	18.99m
Net per share	0.88	0.77
Year		
Revenue	879.9m	761.2m
Net profits	76.89m	63.66m
Net per share	3.10	2.57

QUESTOR

	1979 $	1978 $
Fourth quarter		
Revenue	117.8m	111.7m
Net profits	5.84m	3.35m
Net per share	0.60	0.34
Year		
Revenue	465.5m	432.6m
Net profits	8.71m	7.92m
Net per share	0.88	0.80

STANDARD BRANDS

	1979 $	1978 $
Fourth quarter		
Revenue	759.9m	689.9m
Net profits	26.0m	23.4m
Net per share	0.92	0.82
Year		
Revenue	2.61bn	2.38bn
Net profits	86.4m	75.8m
Net per share	3.04	2.68

SUNDSTRAND

	1979 $	1978 $
Fourth quarter		
Revenue	210.2m	190.3m
Net profits	17.34m	12.15m
Net per share	1.07	0.77
Year		
Revenue	842.6m	731.6m
Net profits	64.37m	47.08m
Net per share	4.03	3.05

TIME INC.

	1979 $	1978 $
Fourth quarter		
Revenue	716.95m	541.97m
Net profits	43.13m	37.09m
Net per share	1.54	1.51
Year		
Revenue	2.5bn	1.7bn
Net profits	143.92m	125.74m
Net per share	5.15	5.61

TIMES MIRROR

	1979 $	1978 $
Fourth quarter		
Revenue	444.2m	383.0m
Net profits	37.14m	47.8m
Net per share	1.09	1.40
Year		
Revenue	1.65bn	1.43bn
Net profits	146.49m	142.39m
Net per share	4.31	4.13

INTERNATIONAL CAPITAL MARKETS

Dollar bonds continue to fall

BY FRANCIS GHILES

DOLLAR BOND prices continued to weaken yesterday, with straight dollar bonds shedding up to 2 points on the day, though average losses were in the 1-1½ points bracket. Institutional selling does not appear to be heavy, but some dealers are convinced that bond houses with a lot of paper on their books — essentially unsold straight dollar bonds floated since last summer—are beginning to dump paper in the market.

If that is the case, prices can be expected to fall further as current yields on straight dollar bonds, which now average above 13 per cent, have totally failed to attract investor interest. A number of dealers argue that 14 per cent yields across the maturity spectrum are the very least that investors will have to be offered before they can be expected to show any interest in buying again.

In sharp contrast, the hard currency sectors of the bond market posted small price gains. Both Swiss franc and Deutsche Mark denominated bonds moved up by about ½ of a point on the day. However, trading activity remains minimal.

The SwFr 100m 10-year issue for the Japanese Development Bank, which carries a sovereign Japanese guarantee and includes a coupon of 5⅜ per cent, was priced at par by the lead manager, Credit Suisse.

Rules change for dollar CDs

BY DUNCAN CAMPBELL-SMITH

THE BANK of England yesterday gave its official blessing to the London dollar certificate of deposit (CD) market to extend its trading operations to include CDs issued in other capital markets.

The Bank's attitude has been set out in a notice communicated to the British Bankers' Association and the International CD Market Association. It makes clear that the Bank has no objection in principle to the London market trading CDs first distributed in overseas primary markets, whether denominated in dollars or any other currency.

The market has waited for some guidance from the Bank since the abolition of exchange controls last October. Until then, it could trade only CDs issued by Authorised Banks, which limited the market to London issues. This category ceased to exist in October.

Under the new notice all banks licensed under the 1979 Banking Act will be able to issue CDs. In secondary market trading, these will be "London CDs."

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on February 5

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	84⅜	85⅛	−0⅛	−1⅞	12.81
Alex Howden XW 9½ 91	30	74	76	0	−1½	14.00
Aquitaine Can. 11¼ 85	30	93¾	94	+0⅛	−0¼	13.07
Australian Res. 9⅞ 84	30	88½	89	−0⅛	−1	13.05
Avco O/S Cap. 10¼ 87	40	79¾	80¾	+0⅛	+1¼	14.83
Beneficial Fin 9¾ 87	100	84⅞	85⅜	−1⅛	−1⅜	13.01
CECA Grad Rate 12 86	100	93¾	94½	+0⅛	−1⅛	13.34
CECA 11⅞ 90	50	92	92½	−0⅜	−0⅞	13.03
CECA 9¾ 99	125	*†78½	79½	+1	+1¼	13.08
Canadian Pacific 9¾ 89	50	83½	84	−1⅛	−1⅞	12.82
Carter Hawley 9¾ 86	50	85⅝	85⅞	−0⅜	−0⅞	13.24
Comalco Inv. E. 10¾ 91	40	84½	85	−0⅜	−2⅜	12.84
Continental Grp. 9⅞ 86	100	85	85½	−0⅞	−1½	13.14
Dome Petroleum 10 94	50	80¾	81¼	−1½	−2¼	12.95
Dominion Bridge 10¼ 84	30	88⅞	89⅜	−1⅜	−1⅞	13.67
EIB 11¼ 92	80	89⅜	89⅞	−0⅜	−1¼	13.54
EIB 10⅜ 87	100	87⅜	87⅞	−1	−1	13.23
EIB 10.15 99	100	79	80	−2⅜	−2½	13.52
Ekportfin 11⅛ 87	50	92⅜	92⅞	−0½	−1	12.91
Export Dv. Cpn. 9¾ 84	100	89½	90	−0⅜	−0⅜	12.61
Export Dv. Cpn. 9⅜ 84	150	90¼	90¾	−0⅝	−0⅞	12.56
Finland 9⅝ 89	100	83½	84½	0	−0¾	12.96
GTE Finance 9¾ 89	55	83¼	83¾	−1⅞	−3⅛	12.84
GMAC 9¼ 86	100	84⅜	84⅞	−1⅛	−1⅜	12.91
GMAC O/S Fin. 11 84	100	94⅞	94⅝	−0⅛	−1	12.59
Gould Int. Fin. 9⅜ 85	50	86⅞	87⅜	−1⅛	−1½	13.40
ITT Antilles 9½ 89	75	82⅜	82¾	−0⅜	−1¼	12.82
Kennecott Int. 9½ 86	100	83⅜	83⅞	−0⅜	−0⅞	13.50
Manitoba 9½ 89	75	82	82½	−0¼	−0⅜	12.91
Michelin 10 94	125	82⅜	83⅛	−0⅛	−1⅜	12.60
Nat. Des. Telecm. 9½ 86	100	85⅞	86⅜	−1¼	−1½	12.79
New Brunswick 9¾ 94	75	78¼	78¾	−2⅛	−2½	13.18
Newfoundland 10 94	50	80¾	81¼	−1½	−2⅛	13.00
Norges Komm 9⅞ 99	100	79¾	80¼	−1⅝	−1⅞	13.10
Norway 9½ 84	150	89⅞	90⅜	−0⅜	−0⅜	12.62
Nova Scotia Pwr. 9⅜ 89	50	82	82½	−1	−1½	13.15
Occidental Fin. 10¼ 84	50	90¾	91¼	−0⅛	−1⅛	13.06
Orient Leasing 9½ 86	25	85⅛	85⅝	−0⅜	−2	12.96
Pennwalt O/S F. 9⅜ 84	25	89½	90	−0⅛	−0⅜	12.95
Pepsico Cap. 9¼ 84	100	89⅝	90⅛	−0⅞	−1	12.56
Quebec Hydro 10 99	75	76¾	77¼	−1½	−3⅛	13.35
Sears Roebuck 9 82	150	92⅞	93⅜	−0⅛	−0⅜	13.07
Statoil 9⅜ 89	100	83	83½	−0⅜	−1⅜	12.74
Sweden 9¼ 89	100	82⅞	83⅜	−1⅛	−2	13.02
Sweden 9½ 86	200	86⅞	87⅜	−0⅛	−1½	12.90
Sweden 9⅜ 84	100	90⅜	90¾	−0⅜	−1	12.58
Unilever NV 9¼ 87	100	83½	84	−1½	−2¼	12.73
Warner-Lambert 9 84	100	88	88½	−0⅛	−2	12.60

Average price changes... On day −0⅜ on week −1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev Bk 6 87	100	97⅜	98⅛	−0⅛	0	8.36
Asian Dev Bk. 7⅛ 89	100	92⅜	92⅞	+0⅛	−0⅛	8.42
Barclays O'seas 6⅜ 89	100	90¾	91¼	0	+0⅜	8.17
BFCE 7⅜ 87	100	98⅜	98⅞	+0⅛	+0⅛	7.84
BFCE 8⅛ 85	100	97½	98⅛	+0⅛	+0⅛	8.38
Brazil 8 87	150	93⅜	94⅛	0	−0⅛	9.17
CECA 7 91	150	91⅜	92⅛	+0⅛	−1	8.14
Council of Eur. 7⅛ 89	100	94	94⅜	−0⅜	−0½	8.13
Denmark 7⅞ 86	100	97½	98½	+0⅛	+0⅛	8.28
Denmark 8¼ 92	100	98⅞	99⅜	+0⅛	+0⅛	8.40
EEC 7⅞ 94	225	97	97½	−0⅛	−0⅞	8.20
EIB 7½ 89	200	94⅜	95½	+0⅜	−1⅛	8.26
Finland, Rep. of 8 86	150	98⅞	99½	0	−0⅜	8.16
Kobe, City of 7⅛ 89	150	94⅞	95⅜	−0⅛	−0⅜	7.84
Neder. Gasunie 8 86	100	102	102½	−0⅛	−0⅜	7.56
New Zealand 7⅞ 87	200	94⅜	95⅜	0	−1⅛	8.02
Nippon Tel. & T. 5½ 87	100	85⅜	86⅜	−0⅛	−0½	8.21
Norges Komm. 7¾ 91	150	97½	98¼	0	−0⅜	8.03
Norway 6¼ 84	200	96⅜	96⅞	+0⅛	+0⅜	7.47
Norway 7½ 85	250	98⅜	99⅜	0	0	7.72
OKB 6 87	40	88	89	0	0	8.23
OKB 7⅜ 88	100	96¼	96⅞	+0⅛	+0½	7.92
World Bank 7⅜ 91	400	95⅜	96¼	+0⅛	−0⅜	8.30
World Bank 7⅞ 90	250	96⅞	97⅜	+0½	−0⅛	8.29

Average price changes . On day +0⅛ on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	92½	93	+0½	+0⅛	6.55
Aumar 5 89	60	†90	90½	−1¼	+1⅛	6.41
Australia 3⅞ 89	250	87½	87⅞	0	−1⅛	5.37
Bergen, City of 4⅜ 91	40	90⅜	91	−0⅞	−2	5.86
BNDE 5 89	75	82⅜	83¼	+0¼	+2⅜	7.57
BMW Overseas 4¼ 91	100	91⅛	91⅜	−0⅜	+1⅞	5.27
Caisse Nat Tele. 4½ 89	100	89⅝	90⅛	+0⅜	+0⅜	5.78
Canada 3⅜ 89	300	88¼	89½	+0⅛	+1¼	5.26
Copenhagen 4½ 91	60	88	89	0	−0½	5.89
Council of Eur. 5 89	100	90⅞	91⅛	−0⅜	−0¼	6.25
EIB 4½ 91	100	85½	85⅜	−0⅛	+0⅞	6.30
EIB 4⅜ 94	100	85	85¼	−0½	+0⅜	5.93
Elet. de France 4⅜ 89	100	90	90½	−0½	+0½	5.73
GZB 4¼ 89	100	86½	87	+1⅜	+2¼	6.09
Hilti 4½ 91	35	92½	93¼	+0⅛	−1⅜	5.07
Int.-Amer. Dev. 4½ 89	100	89	89½	−0½	0	6.01
Jutland Tele. 5½ 90	50	99⅜	99½	0	0	5.58
Malaysia 5 89	80	86⅜	87¼	0	+1⅜	6.88
Nippon Tel. & T. 4¼ 89	100	89⅜	90¼	+1⅛	+3⅜	5.62
Nordic Bank 5 89	45	95½	95⅞	+2⅜	+2½	5.60
Norges Komm. 4⅜ 91	100	86¼	86½	0	+0⅞	6.03
OKB 3⅜ 91	100	83¼	84	0	+1⅞	5.78
OKB 4⅜ 91	100	85⅜	85⅞	0	−0⅜	6.11
Oslo, City of 4½ 91	100	85⅜	85⅞	0	+0⅞	6.11
Shikoku El Pwr. 4¼ 89	100	94½	94⅜	−0½	+0½	5.54
Spain 4 91	100	86¼	86¾	+0¼	0	5.67
Steweag 4¼ 91	60	†91	91½	+1½	+1¼	5.81
Voest-Alpine 4¾ 89	90	92½	93	+0½	+1½	5.77
World Bank 4⅜ 89	100	96	96½	+0½	+1⅛	5.13
World Bank 4⅜ 89	150	89⅜	90¼	+0⅛	−0⅛	5.75
World Bank 4⅜ 91	100	90½	90⅞	0	+0⅜	5.77

Average price changes On day +0⅛ on week +0⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	89½	90¼	−0⅛	−0⅛	8.95
Australia 6½ 88	20	85½	86½	0	0	9.01
EIB 7⅜ 89	12	97⅜	98⅞	0	−0⅛	8.09
Finland 5.6 83	10	89⅜	90⅛	−0⅛	−0⅜	9.00
Finland 6.8 88	10	87⅜	88⅜	−0⅛	0	8.99

Average price changes .. On day −0⅛ on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10½ 86 C$	25	84¼	84¾	−0¼	−1	14.10
Bell Canada 10⅜ 88 C$	60	89½	90	−0½	0	13.12
Cr. Foncier 10⅜ 84 C$	30	88⅜	88⅞	−0⅞	−1½	13.92
Ex. Dev. Cpn. 10 84 C$	50	90⅛	90⅝	−0⅛	−0½	13.05
Fst. Can. Inv. 10 84 C$	50	88⅜	88⅞	−0½	−0¼	13.63
Hudson Bay 10½ 89 C$	60	85⅜	85⅞	−0⅜	−3¼	13.28
Quebec 10¼ 86 C$	50	88⅝	89⅛	−0½	−0⅛	12.98
R. Bk. Canada 10 86 C$	40	88⅞	89⅜	−0½	−0⅜	12.86
R. Bk. Canada 10 94 C$	40	82¼	82¾	−1⅛	−0⅞	12.70
Copenhagen 8¾ 91 EUA	20	98⅜	99⅜	0	0	8.84
M. Bk. Dnmk. 9 91 EUA	25	94½	95½	−1½	−1½	9.72
SOFTE 8¾ 89 EUA	40	87½	88½	0	−0⅜	10.32
Algemene Bk. 8¾ 84 Fl	75	97⅞	98⅛	+0⅛	+0½	8.77
Ned. Gasunie 8⅜ 84 Fl	50	98⅜	98⅞	+0⅛	−0⅛	9.12
Ned. Middbk. 8⅛ 84 Fl	75	97¼	97¾	+0⅜	+0⅜	8.98
Norway 8¼ 84 Fl	100	96⅜	96⅞	+0⅜	+0⅜	9.28
Norway 8⅜ 84 Fl	100	96¼	96¾	+0¼	+0¼	9.19
Philips Lamps 8⅛ 84 Fl	75	97¼	97¾	+0⅜	+0⅛	9.03
Air France 11 84 FFr	120	96⅞	97⅞	0	−0½	11.73
Euratom 9⅜ 87 FFr	150	85⅜	86⅜	0	−0¼	12.75
Finland 11 84 FFr	80	95⅜	96⅜	0	+0⅛	12.24
Finland 11½ 89 FFr	70	94½	95½	0	0	12.46
Gaz de France 11 84 FFr	150	96½	97½	−0⅜	−0⅜	11.83
IBM France 11⅞ 84 FFr	120	96⅞	97⅞	0	−0⅜	12.79
Renault 9¾ 85 FFr	100	86⅞	87⅞	0	−1⅜	13.11
Saint-Gobain 9¾ 86 FFr	130	85¼	86¼	0	−0⅜	13.20
Solvay et Cie 9¾ 87 FFr	125	83	84	0	−0⅛	13.44
Total Oil 9⅜ 87 FFr	150	83	84	0	0	13.06
EIB 11½ 91 £	25	85⅜	86½	−0⅛	−0⅜	13.97
Finance for Ind 13 91 £	15	92½	93½	−0⅜	−4	14.30
Fin. for Ind 12½ 89 £	30	90¾	91½	−0½	−2⅛	14.23
Gen. Elec. Co 12½ 89 £	50	91¼	92½	−0⅜	−1⅜	14.07
Indonesia 8¾ 91 KD	7	†92½	93½	0	0	9.76
Mitsubishi 7½ 84 KD	10	†95½	95⅞	0	0	8.70
Norges Kom. 7½ 89 KD	12	†93¼	93⅞	0	0	8.61
Occidental 8¾ 91 KD	7	†90¼	90¾	0	0	9.88
Akzo 9⅜ 87 LuxFr	500	94⅜	95⅜	−0⅛	−0⅛	10.16
Euratom 8 87 LuxFr	500	90½	91½	0	−0⅛	9.83
Euratom 9⅛ 88 LuxFr	500	99⅜	100⅜	+0½	+0⅜	9.70
Oslo, City of 8 89 LuxFr	500	90½	91½	0	0	9.50
Volvo 9⅜ 87 LuxFr	500	98⅜	99⅜	+0⅛	+0⅛	9.95

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5⅛ 87	0¼	97⅞	98⅜	2/7	15⅛	15.41
Banco di Roma Int. 6 87	0⅜	99½	100	26/4	15⅜	15.79
Banco Urquijo 6 86	0¼	97⅞	98⅜	21/3	13⅜	13.63
Bank of Ireland 5⅛ 89	‡0¼	97¼	97⅜	21/2	15.69	16.09
Bank of Tokyo 5¼ 89	‡0⅜	97⅞	98⅜	25/4	14.56	14.84
Barclays O/S Inv. 5 90	0¼	97⅛	97⅞	13/6	14¼	14.60
Bergen Bk. A/S 6 89	‡0¼	96⅞	97⅜	29/2	14.31	14.77
Bque. Indo Suez 5¼ 89	0¼	98¼	98¾	11/7	14.69	14.91
Citicorp O/S F. 6 94	‡0¼	98½	99⅛	8/3	14.44	14.60
Citicorp O/S F. 83	§‡0	99⅜	99⅞	23/2	15⅛	15.18
Citicorp O/S F. 84	‡0	99⅛	99⅞	29/2	14⅝	14.68
Co-operative Bk. 6 86	0⅜	97⅝	98⅛	15/5	15.06	15.39
Creditanstalt 5½ 91	§‡0¼	98⅜	98⅞	14/3	14⅞	15.12
CNT 5¼ 86	§0¼	99¼	99¾	16/4	15.19	15.28
GZB 5½ 89	‡0⅛	98⅜	98⅞	1/2	16.19	16.41
Jugobanka 8 89	0⅞	91⅜	92⅜	23/5	16	17.41
Ind. Bank Japan 5¼ 87	0¼	97½	97⅞	15/4	14¼	14.62
LTCB Japan 5¼ 86	0¼	97½	98	13/6	14¼	14.58
LTCB Japan 5½ 89	0⅜	97⅜	97⅞	7/6	14.19	14.55
Mfrs. Han. O/S 5⅞ 94	‡0⅛	98⅜	98⅞	29/2	13.81	14.01
Midland Intl. Fin. 5 89	0⅜	om.	100	20/6	15	15.04
Nacional Fin 6¼ 86	0⅜	97⅜	98⅛	25/7	14.69	14.99
Nat. West. 5⅜ 94	§0¼	97⅜	98⅛	11/4	14.94	15.24
Nippon Cred. Bk. 6½ 86	0⅜	97¼	97¾	12/7	14.44	14.81
Royal Bk. Scot. 5⅛ 94	§‡0¼	98⅜	98⅞	11/4	14⅝	14.83
Soc. C. de Bque. 6½ 87	0⅜	96⅜	96⅞	3/4	13⅜	13.71
Sogenal 5⅜ 89	§0¼	96⅞	97⅜	13/7	14.44	14.90
Sweden 8¼ 91	‡0⅛	97¼	97¾	18/4	14.44	14.83
TVO Pwr. 9 91 (D-lock)	0¼	97⅜	97⅞	24/5	15.31	15.69
Williams & Glyn 5¼ 91	0¼	97¼	97¾	14/3	13	13.35
Bq. E. d'Alg. 4½ 89 SF	0½	94	95½	18/6	6.69	7.07

Average price changes On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	106	107	+0½	−6.19
Ajinomoto 7¾ 95	2/80	618	97	98	−0⅜	3.06
Alco Int. Fin. 9½ 94	1/80	40	96½	97½	+0¼	13.97
Asahi Optical 7 94	11/79	605	90½	91½	+0⅛	8.26
Canon 6⅜ 94	8/79	570	103¼	104¼	0	2.17
Ciba-Geigy O/S F. 4 94	9/79	675	85	86½	−0⅜	−4.28
Credit Suisse 4⅜ 93	10/79	1325	109¼	110¼	+0⅜	−1.30
Daiei Inc. 6½ 94	11/79	1020	95½	96½	−0⅜	7.85
Enserch Fin 9½ 94	7/80	30.25	109⅞	110⅞	−0¼	6.42
LPC Internatnl. 8 89	9/79	35	109½	110½	+0⅜	3.11
Meidensha Elec. 7 94	12/79	210	92¼	93¼	+0⅛	20.37
Mitsubishi Cp. 6½ 94	10/79	604	125½	126½	+0⅞	12.95
Nippon Seiko 7¾ 94	12/79	339	97	97½	−0⅜	−0.68
Nitto Elec. Ind. 6 94	7/79	736	79⅜	80⅞	−0⅜	14.13
Toshiba Cpn. 7¾ 94	10/79	198	98¼	99¼	−0⅜	4.00
Union Bk. Switz. 5 89	2/80	125	107½	108½	+0¼	1.89
Fujitsu 5 84 DM	7/79	475	98⅞	99⅜	+1½	17.66
Kansai Elec. 4 84 DM	4/79	1234	84½	85½	0	48.39
Tokyu Ld. Cp. 4 86 DM	4/79	493	78⅜	79⅜	−0⅜	38.40
Uny Co. 6½ 85 DM	11/79	1071	94½	95¼	+0⅛	13.53

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Financial rescue for West German shipping group

BY ROGER BOYES IN BONN

DDG HANSA, one of West Germany's leading shipping groups, is planning a capital write-down followed by an injection of fresh funds as part of a major financial rescue scheme.

The move was announced yesterday after a special supervisory board meeting that considered the deepening losses of the group: DDG (Deutsche Dampffahrtsgesellschaft Hansa) has over 60 vessels and was strongly dependent on routes to the Gulf. As a result it has been hit by four overlapping crises—the Iranian revolution, the weakness of the dollar, escalating oil prices and the trough in the shipping market.

Losses have mounted over the past three years, and DDG has increasingly had to draw its reserves. The group lost DM 52m ($30m) in 1978 and its balance sheet shortfall for 1979, after withdrawals from reserves, will be DM 25m ($14m), according to company executives.

The rescue plan—which has to be approved at an extraordinary general meeting—envisages a six to one write-down in this capital from DM 60m to DM 10m. At the same time, there will be a new capital injection of DM 30m. The basic capital of the revived group will thus be DM 40m.

The company has declined to reveal more about the exact breakdown of the new capital, except to say that "the necessary capital has been secured." Some leading companies hold stakes in DDG—Deutsche Bank, Albingia (the Hamburg insurance group), Reemtsma and Muenchener Rueckversicherung hold 80 per cent of the shares between them—and they are expected to be fully involved in the rescue plan. It is also understood that a number of banks based on the north German coast, including the Bremen and Hamburg Landesbank, will participate in the financial restructuring.

There are some parallels with the recent attempt to revive the flagging fortunes of West Germany's electronics giant, AEG-Telefunken. This too involved a capital write-down and a subsequent topping up of funds. But Hansa's problems are specific to the shipping industry. The unsatisfactory freight rates, undercutting on some routes by East European operators, higher running costs induced by the oil price rise and the virtual collapse of the normal Gulf traffic have all contributed to Hansa's dire position. The weakness of the dollar has also meant that while all outgoings are paid for in Deutsche-Marks, income is based on an eroded dollar.

Like AEG, DDG Hansa will have to couple the financial reorganisation with a rationalisation and cost-cutting programme. The group has already taken a number of measures, and is insisting that any future action will have to take into account the 2,500 jobs at stake. DDG is expected to approach the Bremen state government for loan guarantees.

DDG has assured shareholders that they will be offered their new shares in the company at par. Hansa's shares, which once reached a peak of DM 88, have recently fallen below the DM 50 level.

Universal Telecasters control sold to Ampol

By Our Sydney Correspondent

AMPOL Petroleum has bought a controlling interest in Universal Telecasters Queensland, which operates the Brisbane television station TVQO. The sale was made by the airline, transport and television group Ansett Transport Industries (ATI) which is now controlled by Mr. Rupert Murdoch's News Corporation and the international transport group, Thomas Nationwide Transport (TNT), headed by Sir Peter Abeles.

The news group hold 50 per cent of ATI while TNT has about 25 per cent and has made a formal takeover offer for the remainder. Ampol sold its 20 per cent stake in ATI to News Corporation in December and was given right of first refusal over the Brisbane television station.

The advent of News Corporation as a major shareholder necessitated the sale of a television station to comply with the Broadcasting and Television Act.

Neither the consideration for the Ampol purchase, nor the percentage of the capital acquired were disclosed. The minority holding in Universal Telecasters will still need to be sold.

Brambles well ahead at mid-year

BY JAMES FORTH IN SYDNEY

BRAMBLES INDUSTRIES, the diversified transport group, has raised its interim dividend payout after a 28.6 per cent increase in earnings for the December half-year from A$6.82m to A$8.76m (US$9.7m) on sales up 19 per cent from A$118m to A$141m (US$156.1m).

The interim dividend has been raised from 5 cents a share to 5.5 cents pointing to a fourth successive increase in the total payout. Since 1976 the annual dividend has risen from 8.5 cents a share to 10.5 cents.

The directors said that all subsidiaries traded profitably, but pointed out that the group continued to carry a heavy cost burden of new business development both in Australia and overseas.

Dividends from associated companies rose from A$793,000 to A$1.81m, including a maiden payment from GKN Chep of the UK. But the results do not include the final dividend declared by Ampol Petroleum in which a 12 per cent equity is held. The directors said that the programme of continuing to develop the Chep pallet and container pooling systems proceeded in other countries.

Chep Canada, a joint venture with Canadian Pacific, is expected to start operations next month. In addition a pallet pooling operation is likely to start in France later this year. The energy division had completed the formation of a 50-50 venture with Derek Crouch which will offer contracting services to the coal industry.

Brambles was recently involved in a proposed A$140m merger with the building products group Acmil, but the deal was called off when Brambles inadvertently breached stock exchange rules by buying Acmil shares on the market, triggering off a requirement that Brambles include a straight cash offer. Acmil recently reported a sharp gain in earnings for the December half.

LTCB Japan London venture

BY NICHOLAS COLCHESTER

THE Long Term Credit Bank of Japan, one of the special class of commercial banks which provides long-term finance to Japanese industry, is matching its rival the Industrial Bank of Japan and establishing a wholly-owned investment banking company in London, LTCB International.

The new subsidiary has a paid-up capital of £3m but will not seek recognition by the Bank of England as a bank. It will start operations on February 18. Its Tokyo-based chairman will be Mr. K. Inamura, former Japanese vice-minister of finance for international affairs. The managing director will be Mr. Mitsuya Okubo, and Mr. Frank Neyens has joined the bank as deputy managing director from Credit Suisse First Boston, the London investment bank to LTCB International's Tokyo parent.

The bank feels that it starts life with two initial strengths. First its parent is a large-scale issuer of securities inside and outside Japan, so LTCB can ask the lead managers of its overseas issues to invite LTCB International to participate in their other underwriting. Second, LTCB already has developed substantial placing power in Asia and the Far East which will be available to the new offshoot. LTCB International will, however, have to build up its own European and transatlantic connections.

LTCB concedes that "some conflict" and "friendly competition" may emerge between LTCB International and Nippon European Bank in Brussels, a consortium bank owned as to 50 per cent by LTCB, 40 per cent by the Europartners group of banks, and 10 per cent by Mitsui.

● Nippon Credit Bank, another Japanese long-term credit bank, has opened a branch office in Los Angeles, AP-DJ adds from Tokyo.

This is Nippon Credit Bank's third overseas branch, following those in London and New York. The Los Angeles office will have a staff of 10, including the branch manager, Mr. Shigetaka Matoba.

Acquisition by Pahang Consolidated

By Wong Sulong in Kuala Lumpur

PAHANG CONSOLIDATED, the Malaysian tin and investment company, has announced the acquisition of Melen Engineering, a medium sized engineering company, through a share deal. Pahang Consolidated will acquire the entire capital of 4.35m units of one ringgit each in exchange for 8.7m shares.

The deal which values Melen shares at 2.6 ringgit and Pahang Consolidated shares at 1.3 ringgit has been approved by the Malaysian authorities.

Pahang Consolidated, whose tin profits are dwindling because of the steady exhaustion of tin reserves, said the acquisition of Melen would improve its future profitability.

COB reprimands Agache-Willot

BY TERRY DODSWORTH IN PARIS

THE PARIS Stock Exchanges watchdog, the Commission des Operations de Bourse (COB), has handed out a damaging public reprimand to the Agache-Willot group for inflating the profits of its Boussac-Saint-Freres (BSF), textiles subsidiary.

The COB's comments have been sent out in a letter to shareholders following an auditor's qualification of the BSF accounts up to the end of June.

Because of the auditors' remarks, the COB had earlier asked Agache to give a full explanation of its accounts to shareholders at the BSF annual meeting, but when this was not forthcoming, it decided to supply shareholders with supplementary information itself.

This unusual procedure follows a long period of criticism of Agache-Willot in financial circles during the period when it has been absorbing the ailing Boussac textile empore and integrating it with its own interests.

The COB indicated to shareholders that without "questionable" accounting methods BSF would probably have made a loss in 1978-79 instead of the FFr 11m ($2.7m) net profit it declared.

Three manoeuvres are particularly criticised. The first of these was the re-integration into the accounts of provisions against fluctuations in raw material prices. Since these prices were still moving up in the period concerned, the COB believes that the provisions should have been maintained and not used to boost the profit account.

Secondly, the COB questions two financial transfers, amounting to a total of FFr 11.6m, from other parts of the Agache group to BSF. It argues that these fell strictly outside BSF's financial year, and should have been brought into the accounts from July 1 as exceptional profits.

Thirdly, the COB criticises the absence of clear agreements between BSF and its parent company laying down the basis on which service contracts are to be paid for. Payments between the two companies mentioned in the BSF accounts without detailed explanations amounted to "abnormal" practice.

The COB is now going on to a more thorough investigation of the relationships between the different parts of the complex Agache-Willot group.

Bahrain offshore bank for Kuwait and Libya

BY MARY FRINGS IN BAHRAIN

THE STATE of Kuwait and the Libyan Jamahiriya are co-owners of a new offshore bank due to open in Bahrain within the next six months. Arab Banking Corporation (ABC) was established by Special Charter of the Amir of Bahrain on January 17, with an authorised capital of U.S.$1bn. Issued capital is U.S.$500m, of which half has been paid up.

At the first meeting of the board of directors in Bahrain, Mr. Abdul Wahab al-Tammar of Kuwait Foreign Trading, Contracting and Investment Company (KFTCIC) was appointed chairman. The deputy chairman and chief executive is Mr. Abdulla A. Saudi of Libya, who is already chairman or a director of five Arab banks.

Mr. Saudi said that ABC would meet the need for a strong, well-capitalised Arab institution, able to handle commercial, merchant and investment banking business on an international scale. He described it as "a bank of the banks," which would boost the U.S.$27.8bn Bahrain offshore market. The way had been left open for a widening of Arab participation in the bank.

The other members of the board are Shaikh Fahad Mohammad al-Sabah and Shaikh Ali Jarrah al-Sabah (Kuwait): Mr. Wahid Omar Bughighais and Mr. Mohammad A. Almoghrabi (Iibya).

Another offshore bank due to open shortly in Bahrain is the Arab Solidarity Bank (ASB), which was established in the Cayman Islands in 1978. The shareholders are Saudi nationals and the chairman is Prince Fahd bin Abdulla bin Abdulrahman al-Saud.

The Bahrain Monetary Agency said that the application for an offshore banking unit (OBU) licence was of long standing, and was granted on December 29 after the fulfilment of certain conditions, including the signing of a management contract with an established bank.

The management has been entrusted to the State Bank of India, which also has an OBU in Bahrain. The paid-up capital of ASB is US$5m, but it is intended to raise this to $10m.

The Bahrain Monetary Agency called a temporary halt to the award of OBU licences last July, and apart from ASB the only licence approved has been that of the Bank of Tokyo, which is now in operation. No Japanese bank was previously in the Bahrain market. The special status of Arab Banking Corporation makes the granting of an OBU licence more or less a formality.

PLM profits expand in line with forecast

By Victor Kayfetz in Stockholm

PLM, the Swedish packaging, consumer goods and waste treatment group, reports a 1979 pretax profit of about SKr 51m ($12.3m) up from SKr 36m and in line with the October forecast. Dividend is going up from SKr 6 to SKr 6.75.

Turnover dipped from SKr 2.12bn to SKr 2.1bn ($506m) but rose about 8 per cent in terms of volume. Net extraordinary income, stemming largely from disposals, was SKr 13m last year.

The improvement in group earnings came chiefly from the PAC division—which makes metal, plastic and glass consumer packaging in Sweden, including beverage containers—and from the resource recovery division. The group forecasts a continued improvement in earnings.

Liquidity and credit lines at the year-end stood at SKr 146m, up from SKr 140m a year earlier.

● Atlas Copco, the Swedish compressed air and hydraulic equipment manufacturer, is negotiating with Mechanical Technology Inc. of the U.S., with a view to acquiring a minority interest in the company, probably around 20 per cent. This move gives Atlas Copco access to turbo compressor technology.

● Nokia, the Finnish mutinational with interests in the forest products, rubber, cable, electronics and plastics, increased group sales by 21.6 per cent to Fmks 3.18bn in 1979, writes Lance Keyworth from Helsinki. Growth was strongly export led.

Prospects for 1980 "are good." Nokia plans to spend Fmks 220m on investment projects in the current year.

IRI calls for more state cash as debts mount

BY RUPERT CORNWELL IN ROME

A RISE in the total debt of Istituto per la Ricostruzione Industriale (IRI) to L24,000bn ($29.7bn) has underlined the acute financial difficulties of the Italian state conglomerate which employs more than 550,000 people.

The figures were given to a Parliamentary committee yesterday by Sig. Pietro Sette, IRI's president. In an open plea for further emergency Government funding, he said that most IRI group companies have now reached the absolute ceiling of bank borrowing.

Sig. Sette said that IRI had carried out its planned investment programme last year relying on expected increases in working capital that should have been approved by Parliament. In fact, however, he said, no new public financing had been voted by Parliament—largely paralysed by the protracted political crisis which led to early general elections last June.

Instead, total 1979 financial requirements of L3,500bn ($4.3bn) had been met entirely by bank borrowing. "The difficulties of IRI financial management have now reached breaking point," Sig. Sette declared.

IRI, which controls the bulk of Italy's steel industry, as well as other heavy lossmakers like the Alfa Romeo car group, is committed to a L21,000bn ($25bn) investment programme between 1979 and 1983. Currently it is losing around L4bn ($5m) a day.

But these plans were dependent on a substantial contribution from the state, Sig. Sette said. Sig. Siro Lombardini, the state participations' minister responsible for IRI, said that last autumn's planned L4,500bn emergency state funding for public sector groups should now be enlarged to L10,000bn for the three years 1979-81.

German link for Danieli

BY PAUL BETTS IN ROME

SCHLOEMANN-SIEMAG AG, the West German Dusseldorf-based steel engineering subsidiary of Gutehoffnungsheutte, has acquired a 20 per cent stake in Danieli, an Italian steelworks plantmaker based near Udine, in the northern region of Friuli.

Although full details of the deal have yet to be disclosed, it effectively marks a new departure for the company which until now has been run by the Danieli family.

Danieli has recently seen major growth in sales which increased from L31bn in 1977 to L122bn last year. The Italian company currently employs 850 people in eight plants: it is export-oriented with exports accounting for 80 per cent of sales.

Following the deal, the Danieli family will retain a 51 per cent controlling stake in the company. The West German group is to hold a 20 per cent stake, similar to the 20 per cent equity holding already owned by Interfinanziaria.

The remaining 9 per cent stake is to be held by employees and directors.

Director in bid for UIC

BY GEORGIE LEE IN SINGAPORE

UNITED INDUSTRIAL Corporation (UIC), the chemicals and property group, has received notice from its managing director, Mr. Chwang Wan Lien, and his private holding company, United Industrial Overseas Holding Private (UIOH), of an intention to acquire its entire issued capital.

Mr. Chwang and UIOH are believed presently to have an interest in 2.77m S$1 par shares, or 15.6 per cent of UIC's issued capital of S$17.72m. On the basis of the last traded price of S$3.86 a share, UK has a market capitalisation of S$68.4m (U.S.$31.3m).

The terms of the intended offer have not yet been disclosed. The Singapore Government is believed to be among shareholders of UIC.

UIC is the largest manufacturer of detergent in Singapore. It manufactures under its own brand names as well as under contract with companies such as Lever Brothers and Colgate-Palmolive. It also has a joint venture with Albright and Wilson of the UK, known as UIC-Marchon, to manufacture intermediate raw materials.

The groups major property asset is the select office building, UIC Building, which is located on prime land in the central business district, and in which the group has a 60 per cent interest.

The net tangible asset per share based on book value is S$1.88, but in the market it is believed that the current net asset value is significantly higher than the last traded price of S$3.86. This is partly because the UIC Building has not been revalued since it was completed in 1974.

The group last year reported post tax earnings of S$5.3m.

Spanish bank lifts earnings

BY ROBERT GRAHAM IN MADRID

BANCO POPULAR, one of the big seven banks in Spain, has increased net profits by 38 per cent to Pta 4.3bn ($66m) for 1979. This rate of profits growth compares with an average annual gain of 22 per cent in each of the five previous years.

The results were achieved despite the continued domestic recession and the need to set aside "increased sums" to cover doubtful debts and credit risks. Popular, which has the reputation as one of Spain's more tightly managed financial institutions, claims that the profits reflect greater efficiency and cost trimming.

The annual accounts also point out that a change in the system of tax allowances for investment has aided profits. Finally, the bank has divested some surplus assets, including the sale of a small share in the Hispano-Arab Bank, Aresbank, for Pta 40m, and some property for Pta 120m.

The main interest in Popular's results has traditionally lain in their presentation. Among the major Spanish banks Popular is alone in attempting to present a detailed picture of its operations. It thus offers an insight into what is otherwise a still obscure world.

During the year Popular improved returns on its capital employed, raising these from 0.79 per cent to 0.94 per cent. The average cost of credit rose from 15 per cent to 17 per cent, with interest offered to depositors moving from 5.4 per cent to 6.6 per cent.

Deposits increased by 19 per cent to Pta 300bn ($4.5bn) slightly ahead of the 17.8 per cent average for the big seven banks. The bank reveals, however, the uneven structure of its deposits. Almost 70 per cent of total depositors account for only 5 per cent of deposits: 5 per cent of depositors hold 52 per cent of all deposits.

Total credit advanced last year was equivalent to 81 per cent of deposits and expanded by 14 per cent — or 3 per cent below the annual average for the banking system.

The bank details the increased risk cover taken during 1979. Doubtful debts increased from Pta 3.8bn to Pta 8.2bn ($124m), but repayment and settlements reduced the overall sum to Pta 4.2bn, equivalent to 1.7 per cent of total investment.

Over the past four years Popular has spread its risks. Doubtful debts are no longer so concentrated among large clients. Some 45 per cent of all risk is in loans below Pta 4m, compared to 31 per cent in 1976. Loans above Pta 200m account for only 10 per cent of business against 16 per cent four years ago. Popular has set aside Pta 5.2bn as a provision against future risks.

WORLD STOCK MARKETS

Easier early Wall St. tendency

PRECIOUS METAL issues gained ground, but the overall Wall Street stock market retained an easier tendency early yesterday in active trading.

The Dow Jones Industrial Average, after relinquishing 6.39 on Monday, was 1.03 easier at 874.06 at 1 pm yesterday. The NYSE All Common Index shed 7 cents more to $65.62, while declines led gains by a four-to-three ratio. Trading volume came to 27.20m shares, against the previous day's 1 pm level of 29.90m.

The profit-taking evident in recent sessions was continuing. Some of the Defence issues were lower, but Oils were no worse than mixed, while Precious Metal stocks advanced. Analysts said institutional investors continued to provide some support on any market pullback. The appetite of institutions for equities is being whetted by continuing price weakness in fixed income securities, they added.

Volume leader Chrysler lost ⅜ to $10½ following bearish Press comment. General Motors were unchanged at $54⅞ despite sharply lower fourth-quarter profits.

American Telephone reported higher earnings for the year and added ⅛ at $50⅞. Northern Telecom gained ⅞ to $41¼. The company has signed a $100m contract to supply electronic switching systems to American Telephone. United Telecommunication's fourth-quarter net earnings declined but the shares put on ⅛ to $17¼.

United Airlines lost 1⅛ to $22⅛ on a decline in its January traffic and load factor.

Among Defence issues, Raytheon retreated 1⅛ to $78⅜ and Litton Industries ⅞ to $51⅞.

Active Exxon eased ⅛ to $60⅞, Texaco ⅞ to $35⅞ and Getty Oil $1 to $90½, but Mobil added ½ at $59⅞.

Lockheed reported lower fourth-quarter net profits and slipped ⅛ to $41⅞.

Among Precious Metals ASA gained 1⅞ to $50⅞ and Hecla Mining $1 to $46⅞.

THE AMERICAN SE Market Value Index was up 0.17 at 276.51 at 1 pm. Volume 4.07m shares (4.45m).

Closing prices for North America were not available for this edition.

Canada

Most sectors declined in an active morning session after recent strength, but Golds were mainly higher, rising 20.8 to 3,154.8 at noon on index.

The Toronto Composite Index retreated 19.2 to 3,020.6, Oil and Gas 51.4 to 4,203.5 and Metals and Minerals 47.4 to 2,132.0.

Tokyo

With investors expressing concern over further restrictions on credit trading and a Japanese newspaper report that moves were afoot to raise the Official Discount Rate again, shares mainly declined on increased profit-taking and other liquidations following the market's recent strength.

The Nikki-Dow Jones Average declined 29.09 to 6,765.12 and the Tokyo SE index 1.36 to 467.28, while falls outnumbered rises on the First Market section by 412-to-220. Trading remained fairly active with turnover matching Monday's 330m.

However, several Oil issues showed renewed buoyancy. Arabian Oil, up Y100 the previous day on reporting a marked increase in annual net profits, moved ahead Y120 further to Y3,070. Teikoku Oil climbed Y39 to Y979 and Nippon Oil Y40 to Y1,890.

Among Trading Houses, Mitsui added Y19 at Y402, still bolstered by hopes of a resumption of construction work on its joint petrochemical complex in Iran. Mitsubishi were also firm, improving Y10 to Y730.

Recently strong Machine Manufacturing, Non-ferrous Metals, Defence-related stocks and large-capital shares were predominantly lower, while export-orientated issues, Real Estates, Constructions, Foods and Textiles were also in easier mood.

Matsushita Electric lost Y10 to Y716, Nippon Steel Y3 to Y129, Dowa Mining Y24 to Y836, Toshiba Machine Y14 to Y439, Takeda Chemical Y14 to Y510 and Sharp Y8 to Y612.

Germany

Shares were mixed with an easier bias after light trading, the recent recovery movement faltering following the overnight Wall Street retreat. The Commerzbank index, however, edged up 0.4 to 729.9.

Among the brighter spots were Mannesmann, in Steels, which gained DM 2.50, but Krupp receded DM 2. Stores provided a mainly firmer sector, with Kaufhof up DM 5.

Volkswagen, in Motors, fell DM 2.50, while Varta, in Electricals, declined DM 3.80. Bayer, in Chemicals, lost DM 2.20, but BASF advanced DM 3.20 more in heavy trading.

Public Authority Bonds were again little changed.

Australia

An easier market for gold, silver and base metals in London overnight triggered off a technical reaction in many Metal Mining shares yesterday, while Oils also mainly retreated. However, Industrials were firmer-inclined. The Sydney All Ordinaries index receded 6.69 to 867.31 from Monday's record high, while the Metals and Minerals index lost 100.34 to 5,807.77.

Central Norseman Gold dipped 40 cents to A$7.20 despite announcing record profits. MIM declined 26 cents to A$5.84, CRA 16 cents to A$6.04 and North Broken Hill 8 cents to A$3.30.

The Coals market was still in a turmoil in the wake of the buying raids on White Industries. The market is still having problems in setting a price for White now that the White family is claiming control over more than 50 per cent of the shares. The White share price moved between extremes of A$15.50 and A$19.80 only to close unchanged on the day at A$17.50 after a modest volume.

Coal and Allied put on 10 cents more to A$9.30, but other Coals lost ground with sentiment dampened b ya strike by some coal miners. Oakbridge shed 15 cents to A$4.25 and Utah 11 cents to A$4.60.

Record sugar prices further boosted Bundaberg by 20 cents to A$8.50 and Pioneer Sugar 10 cents to A$3.65, but CSR receded 18 cents to A$5.82.

Woodside Oil lost 8 cents to A$2.55, but Banks had CBC, still responding to good half-time results, up 15 cents more at A$3.15. Breweries concern Tooths advanced a further 18 cents to A$2.80 amid continuing merger talk.

Hong Kong

Following Monday's upsurge, the market was inclined to make further headway yesterday although the session was punctuated by profit-taking. The Hang Seng index, after rising almost 27 points the previous day, gained 8.79 more to 927.40.

Amsterdam

Prices closed mixed to lower after quiet trading.

Ogem shares were traded at Fl 13.50, against a pre-suspension quote of Fl 16.50, after Monday's announcement that the company expected a Fl 10m to Fl 15m 1979 loss.

Johannesburg

Gold shares staged a late afternoon rally after an initial weakening trend and closed just slightly easier on the day.

Vaal Reefs finished only 50 cents off at R62.75, while Randfontein were finally unchanged at R69.00, after touching R68.00.

Mining Financials mostly hardened, with Johnnies rising 75 cents to R64.50. Platinums eased, but Industrials displayed a firmer bias.

Paris

Bourse prices showed no clear trend in hesitant trading.

Market observers cited some profit-taking on the gains of last week, while also sapping investor enthusiasm was the downturn observed on Wall Street overnight.

Spanish prices Page 13.

COMMODITIES and AGRICULTURE

Water report urges more irrigation

By Our Commodities Staff

DEMAND FOR water for irrigation in the UK is expected to quadruple by the end of this century while the overall need for water on farms is likely to double, according to a report published yesterday.

The report, by the Advisory Council for Agriculture and Horticulture under the chairmanship of Sir Nigel Strutt, lays emphasis on the economic benefits to be gained from extending the irrigation area and making use of the improved techniques likely to be developed over the next two decades.

Introducing the report Sir Nigel said there was an "absurd and complacent myth" that England and Wales is universally blessed with perfect summer rainfall. In fact, he said, production in almost every summer is restricted by shortage of water.

He said irrigation should be acknowledged as worthwhile in a wider range of situations. Irrigations imposed by present licensing and charging policies should be eased, storage facilities extended, and as much as £200m of new on-farm capital investment undertaken. At the same time water quality safeguards must be maintained, Sir Nigel added.

Apple Council under review

By Our Commodities Staff

THE APPLE and Pear Development Council, which has come under increasing criticism recently, is to continue in operation for another three months at least, Mr. Peter Walker, the Minister of Agriculture announced yesterday.

But the long-term future of the council, which is responsible for generic sales promotion of British apples and pears, is still not settled. Disenchanted growers, who finance its operation through levy payments, have been calling for it to be disbanded. The Minister has given it a breathing space but in the meantime its future will continue to be reviewed and it seems likely that after three months its operations will be slimmed down considerably, if it continues to operate at all.

World sugar prices falter as speculators ease off

BY RICHARD MOONEY

THE SUSTAINED upsurge in world sugar prices faltered yesterday when speculative buying pressure eased allowing traders to take note of the prices sugar was fetching on the physical market.

After moving up to £243.75 a tonne early on, the May futures position on the London market fell to £232 before recovering to end the day £2 down on balance at £237.90.

Speculative buying has pushed sugar futures ahead of the physical market recently, but with India and Belize holding selling tenders yesterday and Egypt buying, the market was brought down to earth for a while at least. Another buying tender is being held by Iraq today.

It was also suggested that the likelihood of 830,000 tonnes of sugar out of International Sugar Agreement special stocks being made available following next Tuesday's special meeting of the International Sugar Organisation executive committee caused some anxiety in the market.

Reserve stocks totalling about 2m tonnes were built up while prices were below 14 cents a lb but prices have now risen above the 21 cents a lb trigger level at which the stocks begin to be released.

One possible "bearish" influence on the market was played down yesterday at the annual meeting of the International Society of Sugar Cane Technologists in Manila, Philippines, when delegates were told that high-fructose corn syrup was likely to have a negligible effect on the sugar cane industry over the next decade.

Mr. Donald Nordlund, chairman of A. E. Stanley Manufacturing, a U.S. fructose manufacturer, said the production of cane sugar in tropical areas was the most efficient sweetener system in the world.

He thought U.S. sales of 55 per cent corn syrup would treble by 1983, but added that there were limitations of both quality and economy to its use against sugar. Most of the increase would be by the soft drinks industry, Mr. Nordlund said.

Last week news that Coca-Cola was to begin using this material prompted a sharp decline in the sugar market but prices later recovered fully as the significance of the move for sugar demand was discounted.

There was also news yesterday of a further move which could lead to some sugar being diverted off the sweetener market.

Beet Sugar Developments, a British Sugar Corporation subsidiary, announced that it had been commissioned by the New Zealand government to undertake a feasibility study on the production of fuel ethanol from sugar and fodder beet.

BSD will concentrate mainly on the agricultural development side of the project while CSR of Australia will handle the distillation and fermentation side.

● France's 1979/80 sugar beet harvest totalled a record 3.97m tonnes, up from the previous largest crop of 3.93m tonnes in 1977/78, and the 3.74m recorded in 1978/79, the French Sugar Market Intervention and Regularisation Fund (FIRS) has announced, reports Reuter.

The 1979/80 yield per hectare was also a record at 7.7 tonnes.

Indonesia to import more rice

BY RICHARD COWPER IN JAKARTA

INDONESIA, already the world's largest importer of rice will need to increase purchases on the world market this year by a record 40 per cent. Mr. Bustanil Arifin, the head of Indonesia's State Logistics Agency (BULOG)—the organisation responsible for the purchase of both domestic and imported rice, says that the agency expects to import 2.7m tonnes this year as against 1.95m tonnes in 1979.

Official reasons for the demand for extra imports are a projected increase in per capita consumption this year of around 4 per cent and population growth of 1.9 per cent, but experts point to what they believe was a disappointing domestic crop of 16.5m tonnes last year, coupled with the Government's earnest desire to ensure availability and price stability in the run up to the 1982 elections.

Barirng pest or drought, this year's crop should weigh in at around 17.5m tonnes, roughly equivalent to domestic production in 1978, but imports are needed now to tide the country over until the year's first crop comes in between March and June, and BULOG estimates that for 1980 there will be a total shortfall for food and seed of well over 2m tonnes.

With an average annual production increase of around 3.5 per cent over the past five years, Indonesia's growth record has been fairly good, but this has been more than offset by rising consumption. Rice consumption per head jumped from 89 kilos in 1967 to 128 kilos in 1979, averaging around 4 per cent a year. Inspite of repeated attempts to become self-sufficient in this the country's stapjle food crop — the latest target is now 1984 — this demand/supply gap shows little sign of narrowing in the near future.

In a bid to hold down its import requirements for this expensive and uncertain staple, President Suharto announced in his budget speech last month a series of measures designed to encourage faster growth in domestic rice production.

Development spending on padi and irrigation received a record allocation in an agriculture budget which was up 139 per cent from last year. Financial assistance in the form of easy credits has been made available to padi farmers and th egovernment plans this year to open up some 148,000 acres of new rice and to upgrade nearly 1m acres of irrigation.

Experts doubt however whether this new injection of cash will take Indonesia's domestic output much above the 17.5m tonnes mark in 1980. Meanwhile the world's fifth largest nation is likely to continue to account for around 25 per cent of world rice imports, much too high a figure for comfort in a market as uncertain as rice.

Coffee price fall to continue

BOCA RATON, FLORIDA—Coffee futures prices will continue to fall before stabilising between $1.40 and $1.50 a lb for the May contract (30c to 40c a lb below the current level), according to a report by Conti Commodity Services.

The report, issued in conjunction with the opening of the National Coffee Association's annual convention here, said prices should fall to this range assuming no frost in major producing areas.

Conti analysts cited USDA estimates that coffee production this season will exceed consumption by 1.3m bags.

The company expects exports to rise in 1980, led by Brazil which has announced a 15m bag sales goal, compared with 12m bags last season. It expects Colombia to equal or exceed its record exports of 9.3m bags in 1979.

London dealers said meanwhile that internal economic pressures and the need for foreign exchange could compel some coffee-producing countries to sell coffee soon.

Futures market prices may rise fractionally in the near term, they said, but the overall trend is lower because of the weight of available coffee for sale and no noticeable increase in overall consumption.

The Bogota Group of Latin American producing countries has supported market prices in New York and London for some time but has incurred losses, the dealers said.

Reuter

Land prices still falling

By Our Commodities Staff

THE DECLINE in English farm land prices continued in December according to figures published by the Ministry of Agriculture yesterday.

The average price of agricultural land sold with vacant possession in the final quarter of 1979 was £4,010 per hectare (£1,622 an acre) compared with £4,042 in the three months to November.

This continues the decline which began after prices reached a peak of £4,355 per hectare in the May/July period.

EEC SUGAR POLICY

No sweetener for Australia's complaint

BY BRIJ KHINDARIA IN GENEVA

THE Common Market has turned a deaf ear to a ruling that its system of cash refunds to sugar exporters constitutes "a threat of prejudice" to the exports of other countries.

Acting on a complaint against the Community by Australia, a special panel of the General Agreement on Tariffs and Trade (GATT) has found that the Community's sugar policy is "a permanent source of uncertainty in world sugar markets."

The panel does not, however, condemn the policy, nor say that it violates any of GATT's rules. The panel also refused to go along with Australia's charge that its exports have been directly hurt by the Community's system of giving refunds to sugar exporters equal to the difference between the sugar price within the Community and the lower world market price.

But it noted that the Community's refund system has helped to "depress world sugar prices in recent years" causing "serious prejudice indirectly to Australia."

On the crucial question of whether the refunds have helped Community sugar exporters to gain an unfair share of the world market, the panel failed to reach a definite conclusion. The main reason is the difficulty in establishing links between the increase in EEC exports, the drop in Australia's exports, and other developments on the world sugar market.

The GATT panel's inconclusive rulings, after almost a year of investigation, were frustrating for Australia which first put the Community in the dock in GATT's decision-taking council in September 1978.

The Council established the three-man panel two months later. Brazil, Philippines and India at the time said they would also lodge formal complaints against the Community but only Brazil made good its threat.

The Community was first informed of the panel's findings last October but has so far done nothing to alter its sugar policy, provoking Australia into complaining again to GATT's council last month.

The panel said export refunds were subsidies under GATT rules but voiced only mild criticism in noting that in spite of many years of operation, the system had failed to stem sugar surpluses in the Community. Neither sugar exports nor the amount of refund given have been reduced or limited.

In spite of the system's operation since 1968, the Community's share of world sugar exports did not increase significantly until 1978. This share rose only to 9.6 per cent in 1977 from 7.8 per cent between 1971 and 1973. But it shot up to more than 14 per cent in 1978.

Assessing the Community's impact on world sugar trade is made more difficult because it does not belong to the International Sugar Agreement (ISA) first reached in 1968 and renewed most recently in 1978. The ISA obliges members to reduce exports in times of depressed world sugar prices. The Community is not subject to any such control.

However, high sugar prices are in the interests of both the Community and ISA members. The higher the world price the smaller the difference compared with the Community's internal sugar prices, thus lowering the cost of export refunds.

In view of the cautious nature of the GATT panel's findings, Australia is left without much leverage over the Community.

During last week's GATT council Argentina and Brazil backed Australian criticism of thet Community for not paying attention to the panel's finding. But no other countries stood up to be counted.

This was because most of the main sugar exporters are tied to the Community by separate trade agreements. For example, the Caribbean sugar producers are linked to the Common Market in the Lomé convention under which the nine are obliged to import about 1.4m tonnes of sugar from them every year at agreed prices.

Refuting Australia's charge that subsidised exports have harmed Australian exports to countries outside the Community, EC representative Tran Van Tinh said there was no quantified and concrete proof of such damage.

Mr. Tran's contention is even more telling in the light of the newly concluded Tokyo Round code on subsidies and countervailing duties which came into force on January 1 this year.

This code reinterprets the previous GATT rules that formed the basis of Australia's attack on the Community. Under it, mere proof of existence of export subsidies is not enough to justify action. Substantial and "material injury" must be proven as well.

Judging from its failure to make a fully convincing case to the GATT panel so far, Australia will have a hard time proving such material injury.

Call for increased rubber output

ALOR STAR, Malaysia — Abdul Kadir Yusof, Malaysia's Land and Regional Development Minister, has called on members of the Association of South East Asian Nations (ASEAN) to co-operate in increasing natural rubber production to cope with rising world demand.

He told reporters here world output is projected to be 340,000 tonnes below demand this year with world supply at 4.14m tonnes and demand at 4.48m. By 1985 the shortfall is forecast to widen to 1.08m tonnes and by 1990 it could be 1.68m, he added.

Abdul Kadir is accompanying the ambassadors to Malaysia of other ASEAN members on a visit to rubber small-holders in the northern state of Kedah.

In Kuala Lumpur meanwhile the Malaysian Government has raised the total export duty on rubber to 86¾ cents per kilo from 80¾ cents, effective January 31.

In Bangkok the Agriculture Ministry said Thai rubber exports fell in October to 26,977 tonnes from 52,616 tonnes the previous month and 40,247 tonnes in October, 1978.

Japan bought 12,581 tonnes, followed by Singapore with 7,210, the U.S. 3,483, West Germany 1,775, Malaysia 1,669, Korea 100, Hong Kong 81 and Rumania 78.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Rallied strongly on the London Metal Exchange. The limit-down movement on Comex overnight saw forward metal open lower at £1,228 and quickly fell away to £1,209 on the early pre-market. Thereafter the price picked up strongly on trade buying, short covering and stop-loss buying. Forward metal touched £1,255 in the morning rings prior to ending the morning kerb at £1,250. A strong opening on Comex lifted the price to £1,269 in the afternoon rings before a close on the late Kerb at £1,261.5. However, in the late inter-office trading the price was quoted around £1,272. Turnover: 23,150 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1254-5	—1.5	1257-9	+22.5
3 months	1255-6	+4	1260-1	+24.5
Settlem't	1255	—2	—	......
Cathodes				
Cash	1210-2	+4.5	1212-5	+23
3 months	1227-8	+3	1235-40	+28.5
Settlem't	1212	+5	—	......
U.S. Prod	—	......	*121-35	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,241, 50, 53, 54, 55, three months £1,235, 34, 33, 35, 38, 39, 40, 39, 38, 40, 42, 43, 45, 48, 45, 44, 45, 46, 47, 48, 49, 50, 51, 53, 54, 55. Cathodes, three months £1,229, 28. Kerb: Wirebars, three months £1,255, 53, 54, 53, 52, 50, 48, 45, 46, 50. Afternoon: Wirebars, three months £1,259, 60, 61, 62, 61, 60, 61.5, 62, 61, 63, 62, 64, 65, 66, 65, 63, 62, 61, 60. Kerb: Wirebars, three months £1,262, 64, 65, 66, 68, 69, 64, 63, 65, 63, 60, 59, 58, 60, 61, 62, 61.

TIN—Firmer. Forward metal opened lower at £7,250 following the fall at Penang but picked up to close the morniug Kerb at £7,295 owing to fresh speculative buying prompted by the upturn in copper. In the afternoon the price rose afresh to £7,340 before easing to close the late Kerb at £7,315. Turnover: 900 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7260-5	—15	7270-80	+50
3 months	7280-300	+5	7320-35	+35
Settlem't	7235	—15	—	......
Standard				
Cash	7230-5	—15	7270-80	+60
3 months	7290-5	+5	7320-5	+35
Settlem't	7235	—15	—	......
Straits E.	‡2125	—25		......
NewYork	—	......		......

Morning: Standard, cash £7,230, 25, 35, 30, three months £7,270, 80, 70, 80, 85, 80, 90, 7,300. Kerb: Standard, three months £7,295, 7,305. Afternoon: Standard, three months £7,310, 20, 10, 20. Kerb: Standard, three months £7,340, 10, 20, 10, 7,300.

Lead—Higher. After some fairly heavy stop-loss selling on the early pre-market which depressed the price to below £450, forward metal rallied sharply to touch £477.5, influenced by the rise in copper, but fell back on profit-taking to close the late Kerb at £464.5. Turnover: 9,475 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	483-5	+11	485-7	+18
3 months	474-5	+10.0	473.5-4	+13.2
S'ment	485	+11	—	......
U.S. Spot.	—	......	*50	......

Morning: Cash £490, 89, 87, 85, three months £470, 75, 74, 72, 73, 80, 81, 82, 81, 80, 78, 75.5, 75. Kerb: Three months £473, 72. Afternoon: Three months £474, 72, 73, 74, 73, 74, 73.5, 74. Kerb: Three months £475, 77, 76, 70, 67, 68, 70, 67, 68, 67, 65, 64, 63, 65.

ZINC—Held steady in quiet trading with forward metal finally £371.5 on the late Kerb. Turnover: 3,450 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	360-1	+1	358-60	+2
3 months	372-3	—2	370-1	......
S'ment	361	+1	—	......
Primw'ts	—	......	*37.5	......

Morning: Three months £375, 74, 73. Kerb: Three months £372. Afternoon: Three months £373.5, 74, 72, 71, 70. Kerb: Three months £372.

ALUMINIUM—Higher in line with the trend in other base-metals. After dipping to £892 on the early pre-market forward metal rallied strongly to touch £909 on the afternoon Kerb prior to closing at £905. Turnover: 7,125 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	893-4	—1	877-9	—15
3 months	897-8	—7	900-1	—5

Morning: Cash £894, three months £897, 96, 93, 91, 93, 95, 94, 96, 97, 96, 97. Kerb: Three months £896, 97, 98. Afternoon: Three months £900, 02, 03, 04, 03, 02, 900. Kerb: Three months £907, 08, 08, 09, 05.

NICKEL—Firmer with the market tending to reflect the movements in other metals. After an initial fall to £3,0[illegible] on the pre-market forward metal moved ahead to close the afternoon at £3,145 owing to fresh buying and short-covering. Turnover: 624 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2970-80	—15	3020-30	+55
3 months	3085-90	—28	3125-35	+25

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £3,100, 05, 3,100, 3,090. Kerb: Three months £3,090. Close: £3,090, 3,100. Afternoon: Cash £3,005, 10, 20, 30, three months £3,110, 05, 15, 10, 05, 15, 30. Kerb: Three months £3,140, 50.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1967
BELLORDS LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company are required on or before the 7th day of March 1980, to send their names and addresses and the particulars of their debts or claims, and the names and addresses of their Solicitors if any, to KEITH DAVID GOODMAN, FCA, of 3/4 Bentinck Street, London W1A 3BA, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are by their Solicitors, or personally, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 25th day of January 1980.
K. D. GOODMAN, Liquidator.

SILVER

Silver was fixed 44.6p an ounce lower for spot delivery in the London bullion market yesterday at £14.722. U.S. cent equivalents of the fixing levels were: Spot $33.755, down 74.5c; three-month $33.755, down 69.7c; six-month $33.587, down 60c; and 12-month $33.455, down 51.9c. The metal opened at £14.50-14.95 ($33¼-34¼) and closed at £15.35-15.80 ($35¼-36¼).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficl	+ or —
Spot	1472.2p	—44.6	1572.5p	+117.
3 months	1483.9p	—42.9	1600.0p	+137.
6 months	1481.9p	—39.9	—	......
12months	1484.9p	—36.9	—	......

LME—Turnover 440 (153) lots of 10,000 ozs. Morning: Cash 1510, three months 1500, 10, 15, 10, 05, 1500, 05, 10, 20, 25, 30, 40, 50, 55, 60, 70, 75, 70, 75, 80, 85, 90, 1600. Kerbs: Three months 1550, 40, 50. Afternoon: Three months 1600, 1590, 95, 90, 1600, 1590, 95, 1600. Kerbs: Three months 1600, 10, 1600, 1585.

COCOA

Steady at the opening, futures eased during the afternoon on long liquidation and profit-taking, finally closing a little easier than Monday evening. The higher levels today once more attracted producers to the market but consumers remained withdrawn, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1481-82	—1.5	1496-79
May	1478-79	+2.0	1488-76
July	1483-84	—5.5	1492-82
Sep	1498-502	—7.0	1508-500
Dec	1528-31	—5.0	1536-30
March	1555-60	+2.5	1555-51
May	1570-80	—3.5	—

Sales: 2,622 (2,690) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Feb. 4: 149.16 (147.00); Indicator price Feb. 5: 15-day average 144.91 (144.60); 22-day average 144.45 (144.06).

COFFEE

After trading £2-£3 higher on the opening call Robustas drifted lower in mixed dealings, reports Drexel Burnham Lambert. In the afternoon commission house selling prompted weakness in nearby March while forward positions were relatively well supported by the trade. Losses on the day were £9-£18 on the traded contracts.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1523-27	—17.5	1546-32
May	1537-39	—10.5	1561-37
July	1556-57	—15.0	1570-56
Sept	1575-77	—11.0	1588-74
Nov	1575-84	—9.5	1592-85
January	1573-80	+6.6	—
March	1560-80	+7.5	—

Sales: 4,104 (2,644) lots of 5 tonnes.

ICS indicator prices for Feb. 4 (cents per pound). Other Mild Arabicas 163.33 (same). Robustas ICA 1976 163.00 (159.50). ICA 1968 163.25 (159.75). Unwashed Arabicas 213.00 (same). Comp. daily ICA 1968 182.64 (181.56).

GRAINS

LONDON GRAIN FUTURES—Old crop wheat opened 15p lower to unchanged. Values eased in fairly thin trading and closed 45p-50p lower. Barley also eased on commercial selling to trade 55p lower, the main volume being in the March-May spread, and closed 45p down on the day. New crops saw little trade and registered losses of

	WHEAT		BARLEY	
M'nth	Yest'rdays close	+ or —	Yest'rday close	+ or —
Mar.	99.50	—0.45	96.58	—0.45
May.	103.80	—0.35	100.70	—0.45
Sept.	96.80	—0.05	93.30	—0.10
Nov.	99.95	—0.05	96.90	......
Jan.	103.65	—0.10	100.65	—0.05

Business done—Wheat: March 99.75-99.40, May 104.00-103.85, Sept. 96.20-96.20, Nov. 99.95-99.90, Jan. unquoted. Sales: 106 lots of 100 tonnes. Barley: March 96.90-96.45, May 101.00-100.60, Sept. 93.35-93.25, Nov. 96.85-96.85, Jan. unquoted. Sales: 228 lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, mid-Feb./mid-March 102.50, March 102.75 transhipment East Coast. U.S. Hard Winter, 13½ per cent, Feb. 99.75, March 100.75 transhipment East Coast. Maize: U.S./French Feb. 117.50, March 118.50 transhipment East Coast. Barley: English Feed fob Feb. 100, March 102, April 104 sellers East Coast, April-June 104.25 paid East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley S. East 95.50, S. West 95.80, W. Midlands 94.10, N. West 95.30. Other milling wheat: S. East 98.00, W. Midlands 99.80.

RUBBER

The London physical market opened steady, with good speculative interest throughout the day, and closed on a firm note. Lewis and Peat reported a Malaysian godown price of 365 (354) cents a kg (buyer, February).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Mar.	83.00-83.20	81.00-81.10	82.70-81.50
Apr.	84.50-84.70	82.00-83.00	—
Apr.-Jne	85.70-85.80	85.85-84.80	85.50-84.40
Jly.-Sept	88.05-88.10	86.70-86.75	88.10-87.55
Oct.-Dec	91.15-91.25	88.85-88.80	91.30-89.80
Jan-Mar	92.50-92.70	89.80-90.00	92.70-90.95
Apr-Jne	93.90-94.00	91.10-91.20	93.90-92.40
Jly.-Sept	95.40-95.50	92.45-92.60	95.40
Oct-Dec	96.55-96.75	93.75-94.80	96.75-94.80

Sales: 1,120 (745) at 15 tonnes, 67 (11) at 5 tonnes.

Physical closing prices (buyer) were: Spot 82.50p (80.50p); March 80.25p (79.25p); April 81.75p (80.75p).

SOYABEAN MEAL

The London market opened with gains of around 50p but with lack of follow through failed to hold them, reports T. G. Roddick. Trade selling outweighed commission house buying and prices finished with losses of up to 50p.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
February	119.50-20.2	—0.46	120.00
April	116.90-17.0	—0.65	118.20-16.50
June	116.06-18.1	—0.60	117.80-16.00
August	117.80-18.0	—0.55	119.00-18.00
October	116.50-16.8	—0.60	117.00-16.80
December	118.50-18.8	—0.20	119.50
February	121.00-21.5	—0.30	121.70

Sales: 96 (51) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £231.00 (£223.00) a tonne cif for Feb.-March shipment. White sugar daily price was £231.00 (£223.00).

The market opened around overnight levels but later sentiment was disappointed by the prices obtained by India and long liquidation developed. Losses were recorded when New York opened limit-down but prices then rapidly recovered. There was no follow through on the upside, however, and profit-taking developed, causing quotations to ease back again, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	251.90-52.50	235.00-35.50	253.00-28.50
May	237.90-56.00	259.80-40.80	243.75-32.00
Aug.	239.75-54.00	240.50-40.75	246.00-52.75
Oct.	241.00-41.25	241.25-41.50	245.00-55.75

Sales: 12,258 (10,354) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order buyer, seller only). May 238.00, 239.00; Aug. 240.00, 241.00; Oct. 241.00, 242.25; Jan. 238.00, 239.00; March 244.00, 245.25; May 243.00, 245.00. Sales 1,156 (1,316).

LONDON WHITE SUGAR—All unquoted.

PRICE CHANGES

In tonnes unless otherwise stated.

	Feb. 5 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£760/70
Free Mkt (cs)	$2040/2050	......	$1850/185
Copper			
Cash w'bar	£1,258	+22.5	£1,005
3 mths	£1,260.5	+54.5	£1,031.5
Cash Cathode	£1,213.5	+23	£977.5
3 mths	£1,237.5	+28.5	£1,009
Gold troy oz	$685.5	+18.5	$617
Lead cash	£486	+18	£470
3 mths	£473.75	+13.25	£467.5
Nickel	£3,195.78		£3,280.17
Freemkt(cif (lb	305/330c	......	275/320c
Platin'mtr'y oz	£189.0	......	£195
Free mkt	£384.90	+13.35	£324.65
Quicksil'ver	$380/390	......	$380/390
Silver troy oz	1472.2p	—44.6	1486.10p
3 months	1483.9p	—42.9	1536.10p
Tin Cash	£7,275	—50	£7,350
3 mths	£7,322.5	+35	£7,217.5
Tungsten22.04lb	$138.72	+0.72	$138
Wolfrm 22.04 lbs	$139/144	......	$135/139
Zinc cash	£359	+2	£322
3 months	£370.5	—1	£336.5
Producers	$780/825	......	$780
Oils			
Coconut (Phil)	$900t	......	$880
Groundnut	‡	......	‡
Linseed Crude	£431	......	£368
Palm Malayan	$680r	—2.5	£665
Seeds			
Copra Philip	$590	......	$670
Soyabean(U.S.)	$304w	+4	$288
Grains			
Barley Futures	£100.70	—0.45	£95.40
Maize			
French No3AM	£117.50	......	‡
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	£99.75	—0.25	‡
Eng. Milling t.	‡	......	‡
Other commodities			
Cocoa ship.t.	£1,532	—8	£1,540
Future May.	£1,478.5	+2	£1,478.5
CoffeeF't'rMay	£1,538.5	—10.5	£1,606.5
Cotton A.Index	97.90c	+1	84.55c
Rubber (kilo)	82.50p	+2	69.75p
Sugar (Raw)	£251	+8	£164
Wooltp's 64s kl	292p kilo	......	279pkilo

r March. s Feb. v Feb.-March. t March-April. u April. w May. z Indicator. § Buyer. * Nominal.

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £309.50 (£301.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for February 4. Daily price 21.51 (21.20); 15-day average 18.97 (18.62).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo). May 404, 405, nil, nil; Aug. 414, 416, 420-415, 11; Oct. 415, 418, 419, 3; Dec. 415, 418, nil, nil; Jan. 415, 417, 419, 2; March 423, 424, 428, 424, 2; May 425, 430, nil, nil; Aug. 425, 430, nil, nil. Sales: 18.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. March 485.0, 486.0, 488.0-475.0, 129; May 507.0, 509.0, 510.0-498.0, 333; July 531.0, 532.0, 538.0-528.0, 729; Oct. 532.0, 533.0, 533.0-523.5, 196; Dec. 533.1, 534.0, 534.0-525.0, 146; March 532.0, 533.0, 534.0-524.0, 65; May 535.0, 538.0, 534.0-525.0, 18; July 535.0, 538.0, 535.0-525.0, 9. Sales: 1,625.

JUTE

JUTE—Feb.-March C and F Dundee: BWC £220, BWD £190, BTB £268, BTC £234, BTD £200. C and F Antwerp Feb.-March: BWC $490, BWD $421, BTB $590, BTC $519, BTD $448. Jute goods Feb. c and f Dundee: 40-in 10-oz £15.28, 40-in 7.5-oz £11.78. "B" twills £35.60.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 64.0 to 67.0; Eire hindquarters 69.0 to 73.0, forequarters 48.0 to 51.0. Lamb: English small 54.0 to 60.0, *small 62.0, medium 44.0 to 58.0, heavy 40.0 to 53.0. Imported frozen: NZ PL new season 51.0 to 52.0. Pork: English, under 100 lb 40.0 to 50.0, 100-120 lb 38.0 to 49.0, 120-160 lb 38.0 to 47.0. * Special quotation—Very high quality produce in limited supply.

MEAT COMMISSION—Average fatstock prices at representative markets on February 5. GB cattle 79.83p per kg lw (+0.73): UK sheep 135.8p per kg est dcw (+0.4); GB pigs 64.9p per kg lw (+0.2).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Navel/Navelines 3.60-4.20; Jaffa: Navels/Shamouti 50/189's 3.90-5.50; Greek: 2.50-2.60; Moroccan: 64/113's 3.80-4.00; Egyptian: 3.00-3.30. Satsumas—Spania: 95/189's 3.30-3.80. Lemons—Italian: 100/150's 4.80-5.00; Cypriot: 11 kg 84/120's 3.30-4.40. Grapefruit—Cypriot: 20 kg 3.30-4.40; Jaffa: Large boxes 32/88's 3.80-4.80; Florida: Pink flesh 36/48's 4.80-5.00. Bitters—Cypriot: 4.50-4.80; Spanish: 5.30. Apples—French: Golden Delicious, boxes 40 lb 138/175 4.20-5.40, 20 lb 2.20-2.70; Granny Smith 20 lb 2.40-3.00, 40 lb 4.50-6.00, Starkcrimson, approx. 20 lb 72's 2.60; 40 lb 5.60-6.30; Hungarian: Starking 40 lb 138's 6.30; Canadian: Red Delicious 40 lb 8.50-9.00; Italian: Granny Smith 20 lb, per pound 0.13-0.15. Grapes—Californian: Red Emperor, per pound 0.46-0.50; S. African: Alphonse Lavallee 12.50, Queen of the Vineyard 7.40-7.50. Plums—S. African: Santa Rosas per pound 0.33-0.40, Gaviotas 0.40-0.50. English Produce: Potatoes—Per bag 2.00-2.80. Lettuce—Per 12, round 1.20-1.50. Mushrooms—Per pound 0.70-0.80. Apples—Per pound Bramley 0.06-0.13, Cox's Orange Pippin 0.07-0.14, Laxton 0.08-0.10, Spartans 0.08-0.12, Red Delicious 0.08-0.12. Pears—Per pound Conference 0.05-0.10, Comice 0.16-0.18. Swedes—Per 25/28 lb 0.70-0.80. Parsnips—Per 28 lb 1.00-1.20. Turnips—Per 28 lb 0.80-1.00. Rhubarb—Per pound, forced 0.20-0.21. Sprouts—Per pound 0.05-0.07. Cabbages—Per bag 0.80-0.90. White cabbages 1.50. Onions—Per bag 2.00-2.80. Carrots—Per bag 0.50-0.80. Beetroots—Per bag 1.00-1.20.

★

GRIMSBY FISH—Supply poor, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£5.40, codlings £2.20-£3.10; large plaice £3.30-£4.30, medium £3.00-£3.50, best small £3.30-£3.60; lemon soles £11.50; rockfish £3.00.

AMERICAN MARKETS

NEW YORK, February 5.

LIMIT GAINS on silver were followed by major advances in gold and limit advances in copper. Livestock closed moderately lower on trade selling while pork bellies rallied on the close on local short-covering. Grains and soyabeans sold off on light profit-taking. Coffee prices eroded steadily under bearish trade psychology. Sugar prices retreated in a major move when the market could not hold rallies. Cocoa sold off fractionally in an inactive market. Old crop cotton rallied limit up on good speculative buying, reported Heinold.

Potatoes (round whites)—March 59.1-59.3 (59.5), April 62.0 (63.2), May 72.1-73.0, Nov. 71.4-72.0. Sales: 882.

Tin—772.00-786.00 asked (772.00-785.00).

CHICAGO, February 5.

Lard—Chicago loose 21.62 (same). New York prime steam 23.12 (same).

Live Cattle—Feb. 66.60-66.55 (66.82), April 70.40-70.30 (70.72), June 73.25-73.15, Aug. 73.20-73.00, Oct. 71.90-71.95, Dec. 73.15-72.95, Jan. ——, Feb. 73.25.

Live Hogs—Feb. 39.00-39.20 (39.30), April 38.25-38.40 (38.37), June 42.05-41.85, July 43.20, Aug. 42.90-42.65; Oct. 42.40, Dec. 45.05, Feb. 46.40, April 46.00.

‡‡Maize—March 277¾-278 (278¼), May 291½-291 (292¾), July 299¾-300, Sept. 307, Dec. 313½-313¾, March 324.

Pork Bellies—Feb. 40.15-40.35 (39.72), March 40.90-41.20 (40.20), May 42.80-44.00, Feb. 52.50, March ——, May ——, July ——, Aug. ——.

Silver—Feb. 3520.0-3550.0 (3280.0), March 3510.0 (3430.0), April 3530.0, June 3580.0, Aug. 3621.0, Oct. 3661.0, Dec. 3703.0, Feb. 3744.0, April 3785.0, June 3826.0, Aug. 3874.0, Oct. 3916.0, Dec. 3958.0, Feb. 4000.0, April 4042.0, June 4084.0, Aug. 4126.0.

‡Soyabeans — March 675½-674½ (681¼), May 697-698 (703¼), July 718-719, Aug. 726½, Sept. 733½-734, Nov. 739½-739, Jan. 755½, March 773-773½.

‖Soyabean Meal — March 185.70-185.50 (187.10), May 190.50-190.60 (192.10), July 195.90-195.80, Aug. 198.00-198.30, Sept. 200.50, Oct. 202.00-202.50, Dec. 205.50, Jan. 206.70, March 211.00.

Soyabean Oil — March 24.40-24.42 (24.58), May 24.90-24.88 (25.07), July 25.38-25.40, Aug. 25.60-25.55, Sept. 25.80, Oct. 26.00, Dec. 26.25, Jan. 26.20-26.25, March 26.35, May 26.60.

‡Wheat—March 470-471½ (477½), May 479-482 (486½), July 481-483, Sept. 494-495, Dec. 512½-513, March 523.

WINNIPEG, February 5. §Barley—March 115.50 (115.50), May 116.50 (116.60), July 115.60, Oct. 111.50, Dec. 110.00.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 140.15 (241.15).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, February 5.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Feb. $208, March $210. U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter Feb. $208, March $210. U.S. No. 2 Northern Spring, 14 per cent, Feb. $212, March $215, April-May $204, May-June $204.

Soyabeans—U.S. 2 Yellow Gulfports Feb. $277.50, March $280, April $285.75, May $288.25, June $295, July $297, Aug. $301, Sept. $301.20, Oct. $310.50, Nov. $301, Dec. $306.15, Jan. $310, Feb. $317.75 sellers. Brazil Yellow Faq. unquoted. Argentine May $288.25, June $295, July $297, Aug. $300 sellers.

Soyameal—44 per cent protein U.S. afloat $247.50, Feb. $248.50, March $245, April-Sept. $247. Brazil Pellets afloat $269, March $253.50, April-May $249, April-Sept. $252.

PARIS, February 5.

Cocoa (FFr per 100 kilos)—March 1370-73, May 1350-59, July 1365, Sept. 1365, Dec. 1370, March 1375. Sales at call 5.

Sugar (FFr per 100 kilos)—March 2125-37, May 2148-53, July 2145-65, Aug. 2180-82, Oct. 2195-2205, Nov. 2180-2210, Dec. 2205-25, March 2220-55. Sales at call 55.

INDICES

FINANCIAL TIMES

Feb. 4	Feb. 1	M'nth ago	Year ago
309.05	309.32	292.65	265.23

(Base: July 1, 1952=100)

MOODY'S

Feb. 4	Feb. 1	M'nth ago	Year ago
1429.4	1433.2	1380.8	1027.4

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 4	Feb. 1	Month ago	Year ago
Spot	455.56	450.01	413.96	375.23
F'tur's	467.87	459.34	424.37	372.55

(Average 1924-25-26=100)

REUTERS

Feb. 5	Feb. 1	M'nth ago	Year ago
1851.5	1816.8	1693.5	1525.1

(Base: September 18, 1931=100)

Banking statistics confuse and unnerve Gilt market

Early gains replaced by late £1 falls—Equities improve

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 3	Mar. 14	Jun. 12	Jun. 23
Jan. 28	Feb. 7	Feb. 8	Feb. 18
Feb. 11	Feb. 21	Feb. 22	Mar. 3

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The January banking figures announced yesterday afternoon brought confusion and fresh nervousness to a Gilt-edged market trying to recover after recent weakness. The underlying trend in the banking statistics was distorted by seasonal and other adjustments, but the rise in clearing bank eligible liabilities was much sharper than expected and helped to depress the market.

Gilts had rallied ahead of the 2.30 pm announcement on a combination of bear closing and small genuine investment buying. Longer-dated stocks rallied by as much as ¾, while the shorts had managed improvements extending to ⅜. The gains were immediately erased, however, and, following an unsuccessful attempt to rally, the close was the day's lowest with the longs about ⅝ down and the shorts some ¼ easier on balance.

A continuation of the easiness in the after-hours' trade left the £25-paid Treasury 12¼ per cent "A" 2003-05 at £21 for a loss of a full point; the stock touched £26¼ on its debut just nine trading sessions ago. The rise of ½ per cent to 16 per cent in the rate on this week's offerings of Local Authority yearling bonds made little impression on sentiment.

The equity sectors once again opted to resist the late downturn in British Funds. Comforted by hopes of a concerted effort to solve the near six-week old steel strike, leading shares progressed initially although the gains, encouraged by occasional institutional support, were later pared by profit-taking. The FT 30-share index gained 2.1 to 447.8 after having been 4.9 up at 11.00 pm.

Easiness engendered by recent developments in Rhodesia took a toll on Southern Rhodesian bonds among which the 2½ per cent 1965-70 stock fell five points to £123.

Activity in Traded options remained at a low ebb and 475 deals were arranged, slightly above the previous day's 404, but well below the amount dealt in recent weeks. A useful business was transacted in Racal, which recorded 145 contracts, while other relatively active issues included BP, 62, and Cons. Gold Fields, 67.

Among recently - issued equities, Haynes Publishing came in for support and firmed 2 to 148p, while Spring Grove added 2½ to 86p.

Barclays easier

Steady at the overnight levels for most of the day, the major clearers later eased a few pence following the banking figures for the 5 weeks to January 16. NatWest closed 4 off at 346p, while Barclays, 418p, and Midland, 368p, cheapened 2 apiece. Firm recently in response to the results, Bank Leumi (UK) fell 10 to 110p. Hire Purchases made progress in places; UDT edged forward a penny to 44p and Sterling Credit put on 2 to 18p.

Bowring closed a further penny easier at 137p, still on concern that Marsh and McLennan's bid might be referred to the Monopolies Commission, but other Insurances were firm in a quiet trade. Stewart Wrightson added 3 to 195p as did Eagle Star to 166p.

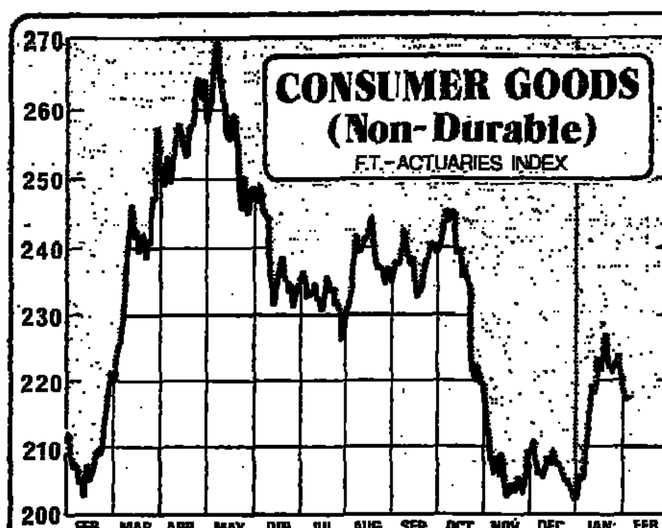
Initially firm on the emergence of small buyers, leading Breweries reverted to the overnight positions following the late general downturn. Regional issues were featured by Greene King which eased 7 to 340p, while Morland, good of late following favourable Press comment, eased 2 to 105p.

Interest in Buildings was mostly confined to Timber issues. Montague L. Meyer touched 100p before settling 3 higher on balance at 95p on vague rumours that a Canadian concern may bid for the company. International Timber also added 3, to 113p, while Magnet and Southerns firmed 4 to 162p and Travis and Arnold rose 7 to 233p, the last-named in a thin market. Phoenix Timber, on the other hand, succumbed to light profit-taking and shed 3 to 142p. Elsewhere, Armitage Shanks hardened 1½ to 97½p, after 98p, on hopes of an offer from Ceramics to counter Blue Circle's agreed bid currently worth 98p per share. Buying in a restricted market lifted Carron 4 to 67p, but Baggeridge Brick eased a penny to 47p awaiting news of the annual general meeting. Crouch Group responded to the higher interim profits and dividend with a gain of a penny to 81p, after 82p.

A few pence firmer initially, ICI drifted off to close unchanged on balance at 375p. Fisons eased 3 to 279p, but Hickson and Welch attracted a little late support and improved a couple of pence to 165p.

Debenhams below best

Press comment on the group's decision to hive off its retail credit operations helped Debenhams close 2 better at 87p, after 89p. British Home hardened a penny to 263p following newspaper mention, while Burton closed a couple of pence harder at 106p. Elsewhere in Stores, Lee Cooper firmed 3 to 250p on renewed demand in a thin market. Steinberg, on the other hand, lost a penny to 18½p on the contraction in interim profits, and Comet Radiovision dipped 2 more to 88p on further consideration of the company's price-cutting campaign. Bambers cheapened 2 to 94p and Liberty 5 to 160p.



Decca reacted 15 to 480p and the "A" 10 to 375p after the previous day's jump in response to GEC's counter-offer. Shares of the latter continued firmly, improving 6 further to 356p, but Racal encountered fresh selling and gave up 7 more to 213p. Plessey firmed 3 more to 134p following a Press suggestion that if its bid for Decca is thwarted Racal may turn its attentions to Plessey. Elsewhere in the Electrical sector, Unitech featured by touching 264p and ending 12 up at 260p on the good half-yearly results and proposed German acquisition. Berec were supported and put on 5 to 99p, while Louis Newmark, a similar amount dearer at 265p, continued to benefit from the interim figures. Other firm spots included Laurence Scott, 3 up at 58p, and Eurotherm, 6 higher at 323p.

Engineers passed an extremely quiet trading session and scattered movements rarely exceeded a few pence either way. Firm at first, leading issues drifted back to close without much alteration. Elsewhere, the acquisition of Martin Cutting Tools and Duratool, two private companies, stimulated buying interest in James H. Lamont which firmed 2½ to 22p. Renold were supported at 75p, up 4, while rises of around 2 were recorded in Drake and Scull, 41p, Lake and Elliot, 52½p, and Westland, 76p. On the other hand, Vosper gave up 5 to 173p and Yarrow were similarly lower at 335p.

Leading Food Retailers held up well despite news of Fine Fare's price-cutting operation to further increase competition. Associated Dairies hardened a couple of pence to 170p, after 172p, and J. Sainsbury improved 3 to 285p, while Kwik Save touched 105p before settling 2 higher on balance at 103p. Elsewhere, Associated Fisheries added a penny to 55p, after 57p, on satisfactory annual results. Louis C. Edwards held steady at 59p, but the new nil paid shares attracted further support and firmed 2 to 30p premium. Morgan Edwards, the latter's prospective merger partner, put on 3 to 115p.

Glaxo firm

A quietly firm trend was apparent in the miscellaneous industrial leaders despite the fresh setback in gilts. Glaxo touched 473p in response to Press comment before closing a net 5 up at 470p. Bowater added 3 to 178p and Beecham a couple of pence to 119p. Secondary issues were featured by a fresh fall of 5 in British Cargo Airlines making a two-day reaction of 26 to 30p on further nervous selling ahead of Friday's interim results; the 6 per cent Preference closed 20 down at 55p. The uninspiring annual profits and chairman's warning on current-year profit margins unsettled Aaronson Bros. which eased 2 to 62p, while profit-taking in the absence of bid developments left Sothebys 10 down at 495p. Provincial Laundries came on offer with the ordinary closing 2 easier at 34½p and the 12 per cent convertible 20 lower at 330p. By way of contrast, Gripperrods rose 7 afresh to 177p after renewed speculative interest and Thermal Syndicate added 5 to 115p for a similar reason. Aeronautical and General Instruments rose 4 more in a thin market to 247p and, on North Sea oil influences, Cawoods advanced 5 to 160p. Applied Computers gained 5 to 300p. Pentos Deferred closed unaltered at 59p; the price in yesterday's issue was incorrect.

Publicity given to a broker's adverse circular prompted selling of Television shares; Anglia "A" shed 3 to 69p, while LWT "A" and HTV N/V eased a couple of pence apiece to 116p and 104p respectively.

Dowty continued to rally from recent weakness ahead of today's interim results and closed 8 up for a two-day gain of 11 to 169p. Flight Refuelling added 2 to 230p, but Lucas shed that much to 248p. Elsewhere in Motors, recent speculative favourite Caffyns encountered profit-taking and eased 4 to 173p.

Oils quiet

Certain secondary Properties registered modest gains. Apex hardened a couple of pence to 120p on consideration of the interim statement, while Estate Property Investment improved 3 to 140p in a restricted market. Beaumont added a penny to 116p ahead of tomorrow's annual results. A. and J. Mucklow, on the other hand, eased 5 to 175p and North British Properties shed 2 to 121p. The leaders followed the general trend and, with the exception of Land Securities which retained a gain of 3 at 285p, after 287p, slipped back from early enhanced levels to close virtually unchanged.

Firm at the start on the prospects of a further increase in North Sea crude prices, Oil shares drifted back on lack of support and the majority of quotations closed without much change on balance. Among the leaders, British Petroleum finished unchanged at 358p, after 362p, while Shell settled a few pence cheaper at 346p. In the more speculative issues, Siebens (UK) advanced to 690p before closing 6 down on balance at 672p, but Lasmo finished with a rise of 5 at 443p, after 450p.

Among Shippings, Hall Bros. rose 12 to 161p following news that Shirlstar Container Transport had sold its 10.4 per cent stake in the company.

Textiles closed a shade firmer where altered. Renewed speculative support was seen for Sirdar, 4 up at 110p, while buyers also came for Shiloh Spinners, 3 better at 31p. Courtaulds hardened a penny to 74p, while Allied rose a couple of pence to 98p and Coats Patons picked up a fraction to 45p. Tootal, at 28p, gave up an early gain of a penny following news of clothing production rationalisation.

Among firm South African industrials, Barlow Rand improved 25 to 430p, while gains of around 4 were seen in South African Breweries, 135p, and Unisec, 90p.

Plantations were mixed. Sungei Bahru provided an outstanding firm spot, rising 18 to 228p in a thin market, while Guthrie, helped by a palm oil development agrement with the Philippines, touched 739p before settling at 735p for a net gain of 5.

Late rally in Golds

A strong rally by the bullion price, which dipped to $661.25 an ounce at the morning fix before closing a net $18.50 up at $685.50, prompted a good recovery in prices of South African Golds.

Initially, the latter had drifted easier in quiet trading reflecting lack of interest. However, the late rise in gold encouraged a fair demand from U.S. sources in the after-hours' trade.

Nevertheless, the late buying interest was insufficient to prevent a fall of 7 points in the Gold Mines index to 326.3.

Among the heavyweights, Western Holdings gave up ¾ at £26¾, after £26, while losses of ½ were common to Western Deep, £17, after £16¾, and Free State Geduld, £25, after £24¾. Buffels were finally ¼ cheaper at £16¾ and Vaal Reefs unchanged on balance at £29, after £28¾.

Financials picked up strongly after a dull morning. The London issues were dominated by Gold Fields which advanced 13 to a 1979-80 high of 490p following persistent buying encouraged by bid speculation, while Selection Trust rose 10 to 702p and Rio Tinto-Zinc 2 to 400p, after 395p.

The late buying of Golds spilled over into South African Financials and Platinums. In the former, "Amgold" ended ⅛ off at £38¼, after £37½, and GFSA a point higher at £34 after £32¼. UC Investments attracted good London support throughout the day and put on 40 to 455p reflecting the increased interim profits and dividend. Middle Wits rose 30 to 430p.

Platinums were sharply higher at the close after having lost ground for most of the day. Impala finished 10 up on balance at 292p, after 275p, while Rustenburg showed a net gain of 5 at 282p, after 266p.

A sharp decline in overnight domestic markets led to widespread falls in Australians during the morning but they, too, picked up towards the close.

Most of the attention was directed towards the more speculative issues. Otter rallied from 85p to close a net 3 up at 93p, while Samantha jumped 7 to 85p.

Renewed speculative buying lifted Pacific Copper 6 more to 164p. On the other hand, heavy profit-taking left Mount Lyell 14 off at 120p and MIM Holdings 8 cheaper at 290p.

FINANCIAL TIMES STOCK INDICES

—	Feb. 5	Feb. 4	Feb. 1	Jan. 31	Jan. 30	Jan. 29	A year ago
Government Secs.	65.69	†65.93	66.45	67.27	67.69	67.66	65.34
Fixed Interest	67.54	67.46	68.17	68.76	69.04	68.89	66.94
Industrial	447.8	445.7	447.8	453.5	457.6	464.0	484.8
Gold Mines	326.3	333.5	333.4	329.9	350.5	334.6	188.8
Ord. Div. Yield	7.30	7.33	7.30	7.20	7.15	7.08	6.26
Earnings, Yld. % (full)	17.99	18.07	18.00	17.76	17.64	17.48	16.39
P/E Ratio (net) (*)	6.83	6.80	6.83	6.91	6.96	7.04	7.91
Total bargains	19,157	19,899	19,260	21,294	23,564	22,822	—
Equity turnover £m	—	88.41	125.87	122.62	139.17	115.99	94.78
Equity bargains total	—	13,716	16,286	16,168	18,252	18,054	16,422

10 am 447.9. 11 am 450.6. Noon 448.3. 1 pm 448.8. 2pm 449.5. 3 pm 447.6.

Latest Index 01-246 8026.

*Nil=6.59.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. †Correction.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.50 (19/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	360.4 (18/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 5	Feb. 4
—Daily		
Gilt Edged	124.5	125.8
Industrials	110.3	113.3
Speculative	44.2	52.8
Totals	76.6	78.3
5-d'y A'vr'ge		
Gilt Edged	119.6	117.0
Industrials	121.8	125.0
Speculative	54.2	59.2
Totals	84.9	87.8

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (32)

AMERICANS (1)
Hutton (E. F.)

BUILDINGS (1)
Newarthill

CHEMICALS (1)
British Benzol

ELECTRICALS (4)
Automated Security; Newmark (Louis); Bowthorpe; Unitech

ENGINEERING (2)
R.H.P.; Ward (T. W.)

INDUSTRIALS (6)
Aeronautical Genl.; French (T.); Applied Comptr. T.; Gripperrods; Christies Int.; Mathesons 7½pc; Eastern Produce; Sunlight Services

NEWSPAPERS (1)
Portsmouth Sund'land

PROPERTY (2)
Aquis Secs.; Control Secs.

SOUTH AFRICANS (1)
Barlow Rand

TRUSTS (3)
Kellock; Viking Resources; Do. Conv. Ln.

OIL & GAS (3)
British Borneo; Viking Oil; LASMO

RUBBERS (1)
Guthrie

MINES (4)
Cons. Gold Fields; Gold Mns. Kalgoorlie; Bougainville; Pacific Copper

NEW LOWS (24)

BRITISH FUNDS (7)
Treas. 14pc 1982; Exchqr. 12¼pc 1982; Exchqr. 13½pc '83; Treas. 14½pc 1984; (£60 pd.); Treas. 12½pc '03-05; Exchqr. 14pc 1984; A (£25 pd.); Exchqr. 3pc 1984

AMERICANS (1)
Richardson Merrell

BUILDINGS (1)
Milbury

STORES (4)
Amber Day; S. & U. Stores; Liberty N-V; Vantona

ELECTRICALS (1)
Phicom

INDUSTRIALS (7)
Brit. Cargo Air.; P.M.A.; Do. 6pc Cnv. Pf.; United Guarantee; Emhart; Whatman Reeve Ang.; Hill (Chas.)

INSURANCE (1)
Taisho Marine

PAPER (1)
Oxley Printing

TEAS (1)
Ruo Estates

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	330	—	—	56	—	70	14	358p
BP	350	34	2	—	—	—	—	"
BP	375	23	21	—	—	—	—	"
BP	390	—	—	32	20	—	—	"
BP	400	12	5	—	—	—	—	"
Com. Union	140	13	—	21	—	26	5	144p
Cons. Gold	280	221	8	230	—	—	—	489p
Cons. Gold	390	118	1	136	—	—	—	"
Cons. Gold	420	95	3	114	—	136	—	"
Cons. Gold	460	65	20	58	—	111	—	"
Cons. Gold	500	42	32	66	5	90	—	"
GEC	330	43	—	59	—	70	2	351p
GEC	360	23	25	41	10	53	—	"
GEC	390	12	8	26	—	—	—	"
ICI	330	48	7	72	5	—	—	374p
ICI	390	14	48	32	—	42	—	"
Land Secs.	300	15	20	24	1	35	—	285p
Land Secs.	330	6½	4	12	2	—	—	"
Marks & Sp.	100	3	—	6½	3	9½	—	87p
Shell	330	39	—	50	1	60	—	346p
Shell	360	22	3	35	—	46	—	"
Shell	390	12	16	22	2	—	—	"
Totals			223		47		21	
		February		May		August		
Racal Elec.	200	17	3	32	10	41	—	215p
Racal Elec.	220	5	55	20	12	29	—	"
Racal Elec.	240	1½	60	12	5	21	—	"
RTZ	330	70	10	95	—	110	—	346p
RTZ	360	40	2	69	—	87	—	"
RTZ	390	16	26	47	1	69	—	"
Totals			156		28		—	

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	78	12
Corpns. Dom. and Foreign Bonds	21	13	32
Industrials	243	207	986
Financial and Prop.	107	86	298
Oils	15	16	31
Plantations	1	5	22
Mines	24	86	45
Others	27	72	70
Totals	432	566	1,435

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Tues., Feb. 5, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon., Feb. 4 Index No.	Fri., Feb. 1 Index No.	Thurs., Jan. 31 Index No.	Wed., Jan. 30 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	233.64	+0.7	18.68	6.68	6.75	231.99	232.84	234.81	235.76	226.30
2	Building Materials (27)	227.56	+0.2	17.44	6.88	7.32	227.04	228.50	230.34	232.55	201.36
3	Contracting, Construction (29)	352.69	+0.1	26.37	6.87	4.69	352.44	353.14	354.04	354.74	341.98
4	Electricals (15)	596.50	+1.5	13.57	4.16	9.82	587.86	588.10	593.83	593.38	530.58
5	Engineering Contractors (11)	284.86	−0.2	26.00	8.99	4.90	285.42	288.31	289.12	291.75	351.81
6	Mechanical Engineering (74)	161.86	+0.7	21.19	8.04	5.85	160.72	161.44	162.53	164.15	175.55
8	Metals and Metal Forming (16)	159.95	+0.3	21.28	9.49	5.61	159.54	160.39	162.86	162.04	157.78
11	CONSUMER GOODS (DURABLE) (50)	212.43	−0.5	16.81	5.75	7.34	213.44	215.21	218.84	219.21	200.64
12	Lt. Electronics, Radio, TV (15)	294.10	−0.6	13.06	4.37	9.82	295.75	297.79	303.80	302.82	257.31
13	Household Goods (14)	111.45	+0.1	27.07	9.84	4.45	111.33	113.55	114.60	115.00	163.88
14	Motors and Distributors (21)	112.63	−0.4	24.08	8.35	4.90	112.05	113.12	114.25	115.84	112.48
21	CONSUMER GOODS (NON-DURABLE) (173)	216.76	+0.3	18.65	7.04	6.61	216.09	218.05	219.98	222.31	207.15
22	Breweries (14)	250.09	—	17.87	6.99	6.57	250.06	250.91	253.06	258.30	225.02
23	Wines and Spirits (5)	289.51	+0.6	18.75	6.40	6.58	287.64	290.51	294.87	297.39	291.20
24	Entertainment, Catering (17)	297.01	+0.2	18.79	7.06	6.70	296.39	297.90	305.51	306.39	270.71
25	Food Manufacturing (19)	198.45	+0.5	20.40	7.33	6.06	197.49	199.57	201.81	204.55	196.85
26	Food Retailing (15)	294.17	+0.3	14.12	5.10	8.44	293.41	296.43	299.14	305.25	228.95
32	Newspapers, Publishing (13)	434.38	+0.6	23.23	6.92	5.87	431.62	432.02	435.56	438.88	377.30
33	Packaging and Paper (15)	128.81	+0.7	23.12	8.82	5.57	127.93	128.13	128.91	128.84	134.07
34	Stores (43)	215.75	+0.1	14.26	5.26	9.06	215.50	218.93	219.37	221.68	188.22
35	Textiles (23)	128.30	+0.8	28.71	12.66	4.41	127.29	126.88	128.19	128.69	174.36
36	Tobaccos (3)	213.59	+0.5	26.69	10.73	4.23	212.53	213.59	215.59	216.17	249.02
37	Toys and Games (6)	41.99	—	38.98	17.05	3.24	41.99	41.45	43.32	43.46	91.64
41	OTHER GROUPS (97)	202.16	+0.4	15.69	6.68	7.72	201.29	202.02	204.96	206.83	191.64
42	Chemicals (17)	297.01	−0.1	16.55	6.79	6.97	297.25	296.83	302.87	304.37	272.33
43	Pharmaceutical Products (7)	204.69	+1.1	12.44	6.25	9.80	202.37	203.58	210.01	216.55	235.35
44	Office Equipment (6)	117.43	+0.6	18.66	6.96	6.31	116.68	116.68	116.40	117.91	125.37
45	Shipping (10)	446.02	+0.8	11.87	7.24	10.75	442.63	443.60	443.12	442.36	412.67
46	Miscellaneous (57)	240.28	+0.5	16.53	6.63	7.68	239.09	241.87	242.79	243.78	208.38
49	INDUSTRIAL GROUP (492)	224.14	+0.4	17.81	6.77	6.94	223.28	224.69	227.10	228.90	214.28
51	Oils (8)	730.66	−0.2	15.38	6.53	7.03	732.26	730.49	747.34	743.93	535.57
59	500 SHARE INDEX	264.24	+0.3	17.30	6.72	6.96	263.56	264.74	268.26	269.69	240.64
61	FINANCIAL GROUP (117)	193.00	+0.2	—	5.73	—	192.54	194.90	196.77	198.01	167.97
62	Banks (6)	221.34	−0.5	37.57	5.87	3.40	222.35	225.70	228.39	229.81	198.19
63	Discount Houses (10)	239.61	—	—	8.50	—	239.66	245.82	245.17	245.17	206.24
64	Hire Purchase (5)	180.20	+0.4	18.60	5.28	6.96	179.56	184.45	183.65	187.85	159.52
65	Insurance (Life) (10)	164.74	+0.4	—	6.38	—	164.14	167.29	168.67	168.59	129.47
66	Insurance (Composite) (9)	128.46	+1.0	—	7.56	—	127.24	129.04	130.39	131.47	117.97
67	Insurance Brokers (10)	284.63	+0.6	17.35	6.89	8.28	282.95	287.69	290.85	291.51	302.34
68	Merchant Banks (14)	99.89	—	—	5.96	—	99.89	101.56	101.79	101.55	78.11
69	Property (44)	352.37	+0.3	3.74	3.07	38.30	351.26	352.66	356.04	359.22	280.99
70	Miscellaneous (9)	127.90	+0.1	16.24	7.13	8.08	127.73	127.45	128.70	129.57	113.54
71	Investment Trusts (109)	214.77	−0.1	—	5.77	—	215.05	216.85	218.23	217.84	211.30
81	Mining Finance (4)	199.15	+1.3	11.57	4.44	10.49	196.54	199.65	197.57	198.44	118.89
91	Overseas Traders (20)	389.51	−0.6	12.74	6.91	9.66	391.85	395.86	395.00	395.80	319.10
99	ALL-SHARE INDEX (750)	247.91	+0.2	—	6.43	—	247.30	248.91	251.70	252.95	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Tues., Feb. 5	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	99.98	−0.18	—	0.68
2	5-15 years	102.95	−0.27	—	1.89
3	Over 15 years	108.81	−0.56	—	0.56
4	Irredeemables	127.18	−0.74	—	0.98
5	All stocks	103.79	−0.36	—	0.91

FIXED INTEREST YIELDS

	British Govt. Av. Gross Red.		Tues., Feb. 5	Mon., Feb. 4	Year ago (approx.)
1	Low Coupons	5 years	12.61	12.52	10.58
2		15 years	12.61	12.52	12.04
3		25 years	12.61	12.52	13.18
4	Medium Coupons	5 years	14.92	14.84	13.74
5		15 years	14.21	14.14	13.75
6		25 years	14.13	14.05	13.75
7	High Coupons	5 years	15.34	15.31	13.27
8		15 years	14.71	14.64	13.87
9		25 years	14.40	14.32	14.33
10	Irredeemables		11.64	11.55	12.74

		Tues., Feb. 5 Index No.	Yield %	Mon. Feb. 4	Fri. Feb. 1	Thurs. Jan. 31	Wed. Jan. 30	Tues. Jan. 29	Mon. Jan. 28	Fri. Jan. 25	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	61.67	14.32	61.70	61.81	61.93	61.10	61.02	61.04	60.90	58.86
16	Investment Trust Prefs. (15)	48.15	14.01	48.09	48.09	48.18	48.43	48.43	47.88	47.96	48.15
17	Coml. and Indl. Prefs. (20)	61.85	14.48	61.67	62.10	61.94	62.27	62.21	62.02	62.02	59.63

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
ICI	£1	10	375	—	415	314
LASMO	25p	9	443	+5	450	124
Cons. Gold Fields	25p	7	490	+13	490	178
Racal Electronics	25p	7	213	−7	278	168½
Aaronson Bros.	10p	6	62	−2	90	57
BAT Inds.	25p	6	258	—	362	230
GEC	25p	6	356	+6	456	311
Barclays Bank	£1	5	418	−2	514	360
Beecham	25p	5	119	+2	189	114
Burmah Oil	£1	5	184	—	197	82
Land Secs.	50p	5	285	+3	323	241
Ocean Transport	25p	5	102	+4	117	83
Pilkington	£1	5	220	—	398	196
Premier Cons.	5p	5	64	—	64	4½
Shell Transport	25p	5	346	−2	402	278

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 4	Feb. 15	May 8	May 19
Feb. 18	Feb. 29	May 9	Jan. 9
Mar. 3	Mar. 14	Jun. 12	Jun. 23

For rate indications see end of Share Information Service

Call options were dealt in William Press, F and O Deferred, Stone-Platt, Premier Oil, RTZ, Tricentrol, Shell Transport, Dunlop, Town and City, Tebbitt, Whessoe, Bolton Textile, Renold, Charterhall, Lonrho, Queens Moat Houses, Morgan Crucible, Hawley Leisure, Bambers Stores, Greencoat, Inveresk and Ladbroke Warrants. A put was done in Cons. Gold Fields, while doubles were arranged in Racal, Weeks Associates and British Land.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a)(g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mngmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.(a)(c)

Barclays Unicorn Ltd.(a)(c)(g)

Baring Brothers & Co. Ltd.(a)(x)

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

The British Life Office Ltd.(a)

Brown Shipley & Co. Ltd.

Canada Life Unit Trst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd.(a)(c)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.(a)(g)

Confederation Funds Mgt. Ltd. (a)

Cosmopolitan Fund Managers

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

NOTES

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmnt. Ltd.

Equity & Law Un. Tr. M. (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(c)(g)

Hill Samuel Unit Tst. Mgrs.(a)

Investment Intelligence Ltd.(a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.(a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Trust

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National and Commercial

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd.(a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.(a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd. (a)(c)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd. (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd.(a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.(a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. (c)(y)

Tyndall Managers Ltd.(a)

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Gartmore Fund Managers (C.I.) Ltd.

Gartmore Invest. Mngt. Ltd.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

International Pacific Inv. Mngt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Kemp-Gee Management Jersey Ltd.

Keyser Ullmann Ltd.

King & Shaxson Mgrs.

Kleinwort Benson Limited

Lazard Brothers & Co. (Jersey) Ltd.

Leopold Joseph & Sons (Guernsey)

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1979-80 High	Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
99⅝	95⅞	Treasury 9pc 1980‡‡	99¾xd	......	9.05	15.83
99⅝	95⅛	Treasury 9½pc '80‡‡	97⅜	......	9.70	17.21
97	92¾	Treasury 3½pc '77-80	96	......	3.65	15.24
97⅜	92⅞	Funding 5¼pc '78-80‡‡	96¼	......	5.46	16.25
103⅝	97½	Exchequer 13pc 1980‡‡	98⅛	......	13.25	15.36
102⅛	95⅝	Treasury 11½pc 1981‡‡	96⅞	......	11.87	15.09
93¾	89⅝	Treasury 3½pc 1979-81	91¾xd	......	3.82	12.29
95⅞	92⅝	Treasury 9¾pc 1981‡‡	93⅝	−⅛	10.44	16.17
96¼	89½	Exch. 8¼pc 1981	91¼	−⅛	9.04	15.61
95⅞	91¼	Exch. 9½pc 1981	92¼	−⅛	10.30	15.52
91¼	84⅝	Exch. 3pc 1981	87¾xd	......	3.42	11.96
99⅜	94⅝	Treas. Variable '81‡‡	96⅜	......	17.24	18.82
104⅞	95⅜	Exch. 12¾pc 1981‡‡	95¼	−⅛	13.39	15.79
96⅞	87¼	Treas. 8½pc '80-82‡‡	88½	−⅛	9.60	15.55
89½	82	Treasury 3pc '82‡‡	84½xd	−⅛	3.55	11.82
108⅝	96⅝	Treasury 14pc '82‡‡	96⅝	−⅜	14.49	15.90
97¼	92⅞	Treas. Variable '82‡‡	94⅝	......	17.63	19.55
95⅜	85¼	Treasury 8¼pc '82	86⅜	−⅛	9.55	15.18
97¼	85⅜	Exch. 9¼pc 1982	86⅝	−⅛	10.68	15.60
95⅜	84⅝	Exch. 8¼pc 1983	85⅝	−⅛	10.22	14.99
86⅛	76⅛	Exch 3pc '83	77¼xd	−⅛	3.88	12.17
104⅞	90⅛	Treasury 12pc 1983‡‡	90⅞	−⅛	13.20	15.80
95	90⅛	Treas. Variable '83‡‡	91⅛	−⅛	18.31	20.43
97¼	82⅜	Treasury 9¼pc '83	84⅝	−⅛	10.93	15.13
60⅛	57⅞	Exch. 13½pc '83 £60pd	57⅞	−⅛	14.27	15.41
98⅜	83½	Exch. 10pc 1983	84⅝	−⅛	11.82	15.40
89⅝	76	Funding 5½pc '82-84‡‡	77½	−⅜	7.10	12.95
97⅜	86⅜	Exch. 11¼pc 1984	87⅝xd	−⅛	12.84	15.49
98⅝	94⅞	Exchequer 14pc 1984	94⅞	−⅜	14.76	15.67
77¼	68¼	Exch. 3pc 1984	68¼	−⅛	4.40	12.68
101⅛	87¼	Treasury 12pc 1984	88⅜	−⅛	13.58	15.57

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

1979-80 High	Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
103¾	96	FFI 13pc 1981	97	−¾	13.40	16.37
108¼	94	Do. 14pc '83	94	−¾	14.87	16.11
36½	77½	ICFC 5½pc Deb. '80-82	82½	......	6.84	14.78
85	69	Do. 6¼pc Db. '81-84	73½	......	8.70	14.70
99	79½	Do. 10½pc Uns Ln. '86	85½xd	+½	12.28	14.20
99	77	Do. 11pc Uns. Ln. '88	84½xd	+½	13.01	13.90
101½	80	Do. 11½pc Uns. Ln '90	86½xd	......	13.58	14.30
72½	54½	Do. 7¼pc A Deb. '89-92	59	+½	12.64	14.70
69	51½	Do. 7¼pc A Db. '91-94	59	......	12.96	14.70
72	64	Do. 9pc 'A' '91-94	69½	−½	13.68	14.80
78½	51	Do. 8¼pc Ln. '92-97	63xd	+1	14.08	14.70
102	85	Do 12pc. Uns. Ln 1992	93½	+½	13.95	

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
224	121	Com'l Aus. ($A1)	147	......	†Q18c	3.0	6.4	5.2
*£17	862	Com'zbk DM 10	920	+5	Q26.6%	—	7.6	—
£18½	900	C'hgn Hbk. Kr100	975	......	Q12%	—	11.4	—
41	20	Corinthian 10p	38	......	†1.05	5.9	3.9	4.4
£24¾	£15	Cred France F75	£17⅛	......	Q9.87%	—	3.7	—
11	5	Dawes (G. R.)	11	......	—	—	—	—
*£19⅝	£62½	Deutsche Bank DM50	£67	+1	Q28.12%	—	5.4	—
90	55	F. C. Finance	63	......	2.2	4.9	5.0	5.8
17	5¼	First Nat. 10p	14½	......	—	—	—	0.9
4	1½	Do. Wrrts. 75-83	2	−¼	—	—	—	—
266	178	Gerrard Natnl.	232	−2	†9.12	—	5.6	—
80	38	Gibbs (A.)	77	+3	2.2	—	4.1	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

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ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

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[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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INDUSTRIALS—Continued

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
78	48	Hay (Norman) 10p	51	......	3.7	1.8	10.4	7.7
164	98	Hay's Wharf £1	146	+1	F7.21	3.1	7.1	(5.8)
65	27	Hensher 'A' 10p	58	......	2.5	3.5	6.2	6.7
132	72½	Hepworth Crmc.	101	......	†4.9	3.6	6.9	7.0
76	25	Hestair	34	−2	†3.5	—	‡	—
43	18	Hewitt (J.) 5p	43	......	1.28	6.3	4.4	4.5
72	40	Highgate & Job 50p	42	......	—	—	—	—
100	58	Hill (Chas.) £1	58	−2	d2.0	—	4.9	—
*49½	28	Hirst Mal'son 20p	30½	+2½	t2.6	3.6	12.2	3.1
90	74	Holden (A.)	78	......	†4.0	3.4	7.3	5.4
75	43	Hollis Bros	45	......	†5.12	1.8	16.3	4.3
256	148	Holt Lloyd Int. 10p	246	......	H9.0	2.3	5.2	13.5
222	107	Hoover 'A'	120	......	12.0	1.1	14.3	8.3
163	93	Hoskins & H 20p	93	......	10.39	1.4	16.0	5.8
71¼	23½	Howard Tenens	68¾	+¼	†1.9	—	4.0	—
308	142	Hunting Assoc.	308	......	22.5	11.4	1.2	8.7
89	48	Huntleigh 10p	76	......	†0.76	6.5	1.4	13.8
90½	40	Hutch Whamp SHK1	83	−½	Q23c	2.5	2.6	15.2
33	22	Hyman (I. & J.) 5p	24½	......	†d0.96	3.6	5.6	7.1
£20¾	£10¼	I.C. Industries$	£10⅞	......	Q$1.84	—	7.9	—
545	398	ICL £1	520	+2	11.9	6.9	3.3	4.8
34	25	Ingall Inds. 10p	31½	......	2.06	1.7	9.3	9.1
146	80½	Initial Services	124	......	†5.5	2.5	6.3	7.3
31	10	Inter-City 20p	10½	......	1.17	4.0	15.9	1.8
68	45½	J. B. Holdings 10p	53	+1	†1.47	7.2	3.8	5.4
175	72	Jacksons Bourne	150	......	†43.0	3.3	2.9	14.2
19	14½	Janis (H.) Inds. 20p	15½	......	20.75	3.3	6.9	9.3
206	100	Jardine M. SHK5	166	+1	tQ77c	2.2	4.6	11.2
36	26½	Jentique	27	......	2.48	1.6	13.1	5.0
15½	6	Johnson & Barnes	7	......	—	—	—	2.6
179	105	Johnson Clnrs.	160	+1	†5.06	4.4	4.5	5.7

INSURANCE—Continued

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
137	79	Howden (A.) 10p	103	+1	7.0	1.6	9.7	8.6
£45	£36	Do Warrants	£43	......	—	—	—	—
190	138	Legal & General	166	+1	†6.51	—	5.6	—
160	118	Lon. & Man. 5p	150	......	†7.24	—	6.9	—
196	120	London United 20p	147	......	†5.31	4.2	5.2	6.5
194	88	Minet Hldgs. 20p	103	+1	†3.72	3.9	5.3	6.2
60	26	Moran (Chris) 20p	27	+1	4.0	1.3	21.2	5.1
304	216	Pearl 5p	276	......	14.05	—	7.3	—
306	198	Phoenix	238	+2	†11.56	—	6.9	—
158	132	Provident	146	......	†9.12	—	8.9	—
193	134	Prudential	176	+1	†8.06	—	6.5	—
172	132	Refuge 5p	150	......	†9.2	—	8.8	—
443	288	Royal	337	+2	†18.77	—	8.0	—
123	78	Sedg Forbes 10p	97	+1	†5.0	2.1	7.4	9.1
110	67	Stenhouse	81	+1	4.52	2.1	8.2	7.8
230	158	Stewart Wr. 20p	195	−3	†11.05	2.4	7.7	6.8
682	474	Sun Alliance £1	544	+2	†22.5	—	5.9	—
147	95	Sun Life 5p	141	......	6.54	—	6.6	—
938	502	Taisho Mar. EDR	502	−7	Q010%	—	0.3	—
193	85	Trade Indemnity	187	......	h4.69	—	3.7	—
£27¾	£15⅞	Travelers $2.50	£17⅛xd	−⅛	Q$2.48	—	6.5	—
270	185	Willis Faber	215	......	†10.05	2.2	6.7	9.9

LEISURE

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
100	55	Anglia TV 'A'	69	−3	†h3.14	4.0	6.5	5.5
109	70	Assoc. Leisure 5p	95½	−½	†4.25	2.6	6.4	7.9
167	103	Barr & W.A.T. 'A'	120	......	t6.75	6.6	8.0	4.9
102	57	Black Edgtn. 50p	58	......	td4.99	1.6	12.3	6.4
202	124	Boosey & Hawkes	124	......	5.67	2.5	6.5	7.9
115	82	Campari Int. 20p	87	......	h3.65	3.5	6.0	5.2
133	56½	Coral Leis. 10p	68	+1	†6.7	2.0	14.1	5.0
114	89½	Fairline Boats 10p	94½	......	3.5	3.6	5.3	7.4
41	28	Gaggs Pavilion 10p	41	......	—	—	—	—
35	21	Grampian 'A' 10p	28	......	t1.63	3.3	8.3	4.8

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Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

INSURANCE

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
430	97	Coronation	375	−5	Q54c	2.2	8.2
680	132	Falcon Rh.50c	650	......	Q100c	1.7	10.6
48	11	Rhod'n Corp. 16⅔p	41	......	0.56	6.5	2.0
267	70	Roan Cons. K4	217	−5	Q0.125	φ	3.5
67	26	Wankie Col. Rh.1	56	−1	Q9c	1.5	11.1
57	9	Zam.Cpr.SBD0.24	44	−1	—	—	—

AUSTRALIAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c	23	......	—	—	—
18	4	ACM 20c	15	−1	—	—	—
115	50	Bond Corp.	110	−5	Q3.75	2.2	1.9
188	100	Bougainville 50 Toea	158	+1	†Q19.8c	1.0	5.2
265	84	BH South 50c	205	......	φ—	—	—
12	12	Canada Northwest	12	......	—	—	—
26	8	Carr Boyd 20c	23	−2	—	—	—
£25	340	Central Pacific	£19	−1	—	—	—
318	170	Conzinc Riotinto 50c	296	−6	NQ10c	2.0	1.7
36	14	Cultus Pacific N.L.	21	−1	—	—	—
*50	2½	Eagle Corp. 10c	36	−2	—	—	—
23½	11	Endeavour 20c	21½	−1½	—	—	—
230	62	G. M. Kalgoorlie 25c	230	+5	†Q3c	—	0.7
320	148	Hampton Areas 5p	310	−5	3.5	2.8	1.6
75	20	Haoma Gold N.L.	35	+1	—	—	—
72	25	Metals Ex. 50c	63	−1	—	—	—
306	134	M.I.M. Hldgs. 50c	290	−8	†Q16.1c	1.8	2.9
25	15	Minefields Expl.	19	......	—	—	—
142	30	Mount Lyell 25c	120	−14	—	—	—
44	13	Newmetal 20c	20	......	—	—	—
169	91	††North B. Hill 50c	163	−3	Q12c	1.4	3.8
57	4½	Nth. Kalgurli	52	−1½	—	—	—
165	45	Nth. Mining Corp.	145	+1	—	—	—
71	18	N. West Mining N.L.	25	−1	—	—	—
235	76	Oakbridge SA1	212	......	Q12c	4.7	2.9
112	22	Oilmin N. L.	106	−2	—	—	—
164	58	Pacific Copper	164	+6	—	—	—
*575	125	Pancont'l 25c	410	+5	—	—	—
*62	2	Paringa M.&Ex. 5p	57	−1	—	—	—
480	248½	Peko-Wallsend 50c	460	−5	tQ17.5c	φ	2.0
217	125	Seltrust A	200	−4	—	—	—
900	145	Southern Pacific	725	−35	—	—	—
*70	8½	Swan Resources 20c	66	−4	—	—	—
16	12	West Coast 25c	13	......	—	—	—
244	121	Westn. Mining 50c	223	−6	Q7c	1.6	1.7
30	8	Westmex	27	−3	—	—	—
94	40	Whim Creek 20c	80	−5	—	—	—
25	10½	York Resources	13½	−2	—	—	—

TINS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	27xd	......	1.0	1.9	5.3
435	265	Ayer Hitam $M1	305	......	Q290c	0.9	19.4
72	48	Beralt Tin	64	−1	4.5	φ	10.0
270	149½	Berjuntai $M1	165	......	tQ95c	1.0	‡
190	125	Geevor	165	......	8.71	3.1	7.5
11	8	Gold & Base 12½p	11	......	—	—	—
365	295	Gopeng Cons.	345xd	......	25.0	φ	10.4
370	289	Hongkong	300	......	35.87	φ	17.1
98	64	Idris 10p	92xd	−1	28.0	φ	12.4
15	9½	Jantar 12½p	15	......	—	—	—
95	38	Kamunting $M0.50	68	......	Q47½c	1.1	15.7
620	210	Killinghall $M1	300	......	Z060c	—	4.1
585	365	Malay Dredging $M1	565	......	†Q105c	2.6	3.6
57	26	Pahang	27	......	0.44	0.3	2.4
123	60	Pengkalen 10p	98xd	......	6.0	φ	8.7
275	195	Petaling $M1	235	......	Q150c	φ	13.0
87	53	Saint Piran	62	......	‡2.5	6.4	‡
58	34	South Crofty 10p	37	−1	‡3.0	2.0	‡
230	170	South Kinta $M0.50	215	......	Q150c	1.0	14.2
430	285	Sthn Malayan $M1	375	......	Q175c	2.1	9.5
310	210	Sungei Besi $M1	252	−3	†Q520c	1.0	42.0
75	25	Supreme Corp $M1	35	......	Z010c	—	5.8
105	93	Tanjong 15p	100xd	......	24.5	φ	6.4
115	90	Tongkah H. Tin	90	......	Q45c	1.3	11.2
280	190	Tronoh $M1	245	......	†Q25c	5.2	2.1

COPPER

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
192	56	Messina R0.50	185	......	Q10c	φ	3.1

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	75	+8	—	—	—
14½	10	Burma Mines 17½p	13½	......	—	—	—
460	170	Cons. Murch. 10c	407	......	Q100c	φ	14.1
585	280	Northgate C$1	550	−5	—	—	—
417	226	R.T.Z.	400	+2	†11.5	3.4	4.1
31	12	Robert Mines	25½	−½	—	—	—
65	26	Sabina Inds. C$1	48	+3	—	—	—
880	470	Tara Exptn. $1	535	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♠ Excluding a final dividend declaration.
- ♣ Regional price.
- || No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	27	......
Bertam	18	......
Bdg'wtr. Est. 50p	353	−12
Clover Croft	52	......
Craig & Rose £1	£10½	......
Dyson (R. A.) A	16	......
Fife Forge	32	......
Finlay Pkg. 5p	18	......
Graig Ship. £1	900	−25
Higsons Brew.	75	−5
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	165	−10
Pearce (C. H.)	305	......
Peel Mills	37	......
Sheff. Refrshmt.	58	......
Sindall (Wm.)	165	......

IRISH

Conv. 9% '80/82	£86	......
Nat. 9¾% 84/89	£71	......
Fin. 13% 97/02	£85¾	......
Alliance Gas	58	......
Arnott	375	......
Carroll (P. J.)	53	−1
Clondalkin	100	−2
Concrete Prods.	83	......
Heiton (Hldgs.)	35	......
Ins. Corp.	200	......
Irish Ropes	57	......
Jacob	30½	......
T.M.G.	145	−2
Unidare	29	......

OPTIONS
3-month Call Rates

Industrials	
A. Brew	8
BOC Intl.	6
B.S.R.	5
Babcock	12
Barclays Bank	30
Beecham	23
Blue Circle	25
Boots	17
Bowaters	16
B.A.T.	25
Brown (J.)	7
Burton 'A'	22
Cadburys	5½
Courtaulds	8
Debenhams	3
Distillers	21
Dunlop	5½
Eagle Star	14
F.N.F.C.	1¾
Gen. Accident	21
Gen. Electric	30
Glaxo	40
Grand Met.	12
G.U.S. 'A'	30
Guardian	23
G.K.N.	22
Hawker Sidd	36
House of Fraser	12
I.C.I.	22
"Imps"	7
I.C.L.	45
Inveresk	5
Ladbroke	15
Legal & Gen.	10
Lex Service	10
Lloyds Bank	26
"Lofs"	3½
London Brick	6
Lucas Inds	20
"Mams"	14
Mrks. & Sncr	9
Midland Bank	30
N.E.I.	5
Nat. West. Bank	32
P & O Dfd.	9
Plessey	10
Racal Elect.	28
R.H.M.	4½
Rank Org.	18
Reed Intnl.	17
Sears	5½
Tesco	7
Thorn	25
Trust Houses	14
Tube Invest.	27
Unilever	40
U.D.T.	4
Utd. Drapery	9
Vickers	14
Woolworths	6½
Property	
Brit. Land	7
Cap. Counties	9
Land Secs.	25
MEPC	17
Peachey	13
Samuel Props.	12
Town & City	2
Oils	
Brit. Petroleum	28
Burmah Oil	15
Charterhall	6½
KCA	6½
Premier	7
Shell	20
Tricentrol	27
Ultramar	32
Mines	
Charter Cons.	28
Cons. Gold	40
Lonrho	9
Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Wednesday February 6 1980

LANCASTER HOUSE AGREEMENT UNDERLINED BY ORDINANCE

Soames to curb campaigning

BY BRIDGET BLOOM IN SALISBURY

LORD SOAMES, the Governor of Rhodesia, will today unveil the range of political measures open to him to curb the mounting intimidation before the elections on February 27-29.

The move, which coincides with growing concern at the activities of Mr. Robert Mugabe's ZANU (PF) Party in particular, will be in the form of a special ordinance.

This will allow the Governor to impose a partial ban on any political party found to be intimidating voters or otherwise in contravention of the Lancaster House agreements. The ordinance will also allow the Governor to suspend certain candidates from campaigning and to restrict political party meetings.

But the measures will not go as far as a complete ban on a political party taking part in the British supervised elections.

A spokesman for the Governor last night indicated that although retroactive measures were possible under the ordinance, none was immediately contemplated. The move therefore seems intended to warn Mr. Robert Mugabe, his ZANU (PF) Party, and its military wing, ZANLA, to desist from the intimidation and ceasefire violations of which they have been widely accused.

The threat of such action may already have had some effect. Mr. Mugabe is said to have agreed to broadcast to his guerrillas on Monday, as requested by the Governor, partly because he knew of the plan. He insisted guerrillas should remain in or return to their assembly places, or face "punishment."

The ordinance seems to do no more than put into specific legal form powers which the Governor already has. For that reason, observers here do not see the Governor's action as particularly tough.

It is recognised that his hands are tied. In theory, he has "full executive and legislative powers." In fact, any action which banned ZANU (PF), even partially, from the election would be likely to spark off widespread African and Commonwealth criticism

However, there is mounting concern here among eight political parties about the activities of ZANU (PF). Mr. Joshua Nkomo, leader of the Patriotic Front, implicitly joined the criticism of ZANLA yesterday. Accusations against ZANLA have until now been made openly only by the British and Rhodesian authorities and Bishop Abel Muzorewa's African National Council.

But at a press conference yesterday, Mr. Nkomo produced two party workers who said they and a candidate for election had been abducted by two armed ZANLA guerrillas last week.

Mr. Nkomo also said he had called off election meetings for fear of aggravating an already tense situation.

Rusape, a small town south east of Salisbury, "was recently like a city under siege by the auxiliaries," Mr. Nkomo said, referring to the black troops originally recruited by Bishop Muzorewa and now said to be under the control of the army.

British and Rhodesian officials have denied that auxiliaries were responsible for major violations of the Lancaster House agreements. But Mr. Nkomo refuted this adding that the men were not being monitored, and were "terrorising people under cover of the Governor's orders."

In a further attempt to calm the situation, Lord Soames yesterday addressed the election council, which groups representatives of all nine political parties, and asked that the party leaders should sign a "solemn rededication to the undertakings entered into at Lancaster House."

Franco—German warning to Russia

By Robert Mauthner in Paris

FRANCE AND West Germany yesterday issued a stern warning to the Soviet Union that East-West relations would be impaired permanently if Moscow did not rapidly withdraw its troops from Afghanistan.

Another tough line against the Soviet Union was taken in Brussels where the EEC foreign ministers agreed that their response to the intervention in Afghanistan had been too slow. They indicated they would have to consider a boycott of the Moscow Olympics.

In Paris, a joint Franco-German foreign policy declaration adopted at the end of a three-day summit meeting between President Giscard d'Estaing and Herr Helmut Schmidt, the West German Chancellor, was the toughest and clearest statement of the two governments' positions since the Soviet invasion of Afghanistan.

Western alliance regains its unity, Page 2
India bid over Afghanistan, Page 3

President Giscard said it reflected complete agreement between the two countries. Herr Schmidt had said on Monday that France and West Germany had co-ordinated their foreign policies to an extent rarely achieved by independent states.

The Paris declaration said that the Soviet intervention in Afghanistan was "unacceptable," and that the withdrawal of troops "without delay" was a pre-requisite for further progress towards detente.

In particular, the declaration made it clear that no further progress could be expected in international disarmament talks or at the next European security conference in Madrid in the autumn, unless the Soviet Union responded to the call to withdraw its troops from Afghanistan.

The Franco-German talks did not, apparently, lead to any change in their position on the U.S. call for an Olympic Games boycott or for restrictions on exports of advanced technology to the Soviet Union.

The West German spokesman said his Government reserved its position on the Olympics until it had consulted its EEC partners. The French Government has said it does not consider a boycott of the Olympic Games an appropriate response to the Soviet action.

THE LEX COLUMN

The return of bank lending

By any standards the January banking figures are very poor. If their impact on the gilt-edged market has not been as dramatic as that of the October figures, which were the forerunner of a three point rise in Minimum Lending Rate, it is largely because the market has fallen far enough in the last week to discount a solid dose of bad news.

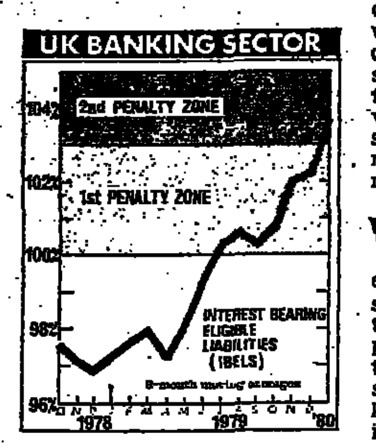
Sterling M3 appears to have risen by 1 per cent, seasonally adjusted—not catastrophic, but very disappointing considering the heavy gilt-edged sales made during the month. The money supply is still running above target, and the culprit is bank lending, which keeps turning up like a bad billion to haunt gilt-edged.

As in the spring and summer of last year, there are plenty of excuses and explanations for the bad figures, in this case for a £1.8bn rise in clearing bank advances to the private sector. Apart from the large increase that resulted from year-end debiting of interest, there was demand for money to pay tax, to buy gilt-edged stock, and to finance involuntary stockbuilding. Certainly the December retail sales figures and the CBI's latest survey support the contention that companies have been forced into additional borrowing. In addition, the structure of rates has produced a shift in loan demand from non-clearers to the clearing banks, and there has been some unwinding of the holdings of acceptances outside the banks.

But the gilt-edged market has learned from the experience of 1979 that waiting for distortions to unwind can be a mug's game. It now looks as though MLR will have to be kept at 17 per cent until well after the Budget, and official sales of stock will have to continue at a high level to bring M3 back into its target range. For equities, too, there is a gloomy message, as the demand for credit suggests that the corporate sector is running an even higher financial deficit than has generally been imagined.

The banks are now deep into the corset penalty zones, the clearers having advanced most prominently into expensive territory. The shortage of reserve assets forced the banks into transactions with the discount market that produced additional IBELS, and as money rates rose there was an increasing switch from money market into overdraft borrowing by customers. Make-up day itself may have been particularly trying: the Bank of England can help the clearers on make-up day by ensuring that money is plentiful, but seems to have stood by on this occasion. There is no reason why the authorities should protect banks from the rigours of the corset system as long as bank lending is perceived to be the root of the problem.

Index rose 2.1 to 447.8



Stock Exchange

The Stock Exchange Council appears to be taking just about the smallest step that it decently can towards letting its members compete in the international securities market. The details will be published in the next few days, but it is already clear that the preservation of single capacity—the separate roles of brokers and jobbers—has been a prime objective in framing these proposals. The trouble is that whereas the brokers think of the overseas securities houses as their clients, the jobbers see them as rival market makers.

It seems that jobbers are to be allowed to deal direct with members of overseas stock exchanges in international securities from now on, and may join any foreign exchange that will have them. But they are still hedged in with restrictions. For instance, although they may deal with banks within the EEC operating in their country of origin, it looks as though they will not be permitted access to the important Swiss banks. And they will be required to ensure that they are dealing with principal as opposed to agency business overseas, a distinction which in practice could well be very blurred.

All the same, the major jobbers are likely to support the proposals. Under the new regime, they will be in a position to follow the spirit as well as the letter of the rule book—which has not always been the case in the last year or so. To judge by the big majority in favour at yesterday's council meeting, the brokers will probably support the changes too, although some will see them as the thin end of the dual capacity wedge. But whether the new rules will stand the test of time and the market place is quite a different matter.

World markets

Most of the world's major equity markets have seen substantial rises since the start of the year, with the smaller European bourses the main exception. The invasion of Afghanistan is undoubtedly one of the key reasons, as the announced increase in U.S. defence spending is widely expected to postpone further the long-awaited recession in that country and the consequent international knock-on effects. High worldwide liquidity, because of investors' holding back until markets bottomed out, has been piled back in quickly.

The poor returns from simply holding hard currencies on deposit over the past year or so have also helped to make equities more attractive, while interest rates are felt to be near their peaks in many countries, except in the U.S. and Japan.

Nevertheless, investment has remained highly selective, with attention confined mainly to energy, mineral and defence-related stocks. According to the international industry indices compiled by Capital International, the non-ferrous metal sector rose 25 per cent in January, gold mines 21 per cent, steel 13 per cent and energy and energy equipment about 12 per cent. By contrast, there were declines in shipping, textiles and utilities.

With this pattern of interest, it is hardly surprising that Australian and Canadian stock markets have been among the strongest performers. Since the end of the year the Sydney All Ordinary index has risen 17.2 per cent, and the Australian Metals and Minerals index 28.1 per cent, in spite of yesterday's 1.7 per cent decline.

Although the usual New Year rally did not emerge in Europe, the French market in particular has been strong from mid-January as the Monory unit trust money began to flow again. The CAC General index has risen 7.2 per cent from the beginning of the year, with gains of around 20 per cent in defence stocks such as Matra and CSF.

Ship orders up, but market still weak

By William Hall, Shipping Correspondent

BRITISH Shipbuilders won more orders in the last three months of 1979 than in any quarterly period since its constituent companies were nationalised in 1977.

But it was still fighting for survival, the State-owned corporation said yesterday. World shipbuilding was showing signs of improvement from the severe slump of recent years, but the market was still at least two years away from recovery.

Competition was intense, ship prices were low, and the corporation's recent orders were won only with the help of Government intervention fund subsidies.

In the final three months of the year, British Shipbuilders gained orders for 10 ships of 180,610 tons gross in all, worth £94m. In addition, orders for another 10 ships totalling 200,000 tons gross were booked but not finalised.

Overall in 1979 the corporation won orders for 29 merchant ships totalling 313,487 gross tons and valued at £253m.

This was a big improvement on 1978, which saw orders for only 17 ships totalling 86,588 tons gross.

Nonetheless, the year end saw a substantial fall in the level of orders on hand compared with the start of 1979, reflecting the level of completions during the year.

Fifty-four ships totalling 547,378 tons gross were completed, bringing the order book down from 98 ships (913,389 tons gross) to 71 ships (655,754 tons gross).

The value of naval ships on order doubled with 17 new naval vessels worth £520m ordered. This compares with 10 vessels of £373m in 1978.

At the end of 1979, British Shipbuilders were building 41 naval vessels, valued at £1,830m, more than three times the value of the merchant shipbuilding order book.

Over the last couple of years the value of British Shipbuilders' naval order book has very nearly tripled while the value of the merchant ship order book has fallen by close to a third.

At the end of 1978 the value of the naval ships on order was £644m and the value of the merchant ships order book was £832m. By the end of last year naval orders amounted to £1.83bn while merchant ship orders were valued at £573m.

Financial rescue for German shipping group, Page 23

More scope for jobbers in overseas markets

BY CHRISTINE MOIR

STOCKJOBBERS will be able to deal directly with members of foreign stock exchanges who act as principals rather than agents under new rules which should be published early next week.

Under present rules, jobbers are allowed to deal only with registered brokers on the London market, but in recent years there has been considerable pressure on the Stock Exchange to allow them wider access to international markets.

At a stormy meeting in December, the Stock Exchange Council agreed to give the jobbers access to overseas market makers, but in such a way that the strict division between principals and brokers—the single capacity concept—was maintained.

It instructed the dealings committee, chaired by Mr. Peter Stevens, a partner of Laurie Milbank, to draw up rules satisfying those conditions.

Those rules, together with certain amendments to be drafted in the next few days, were accepted by the council yesterday, though not unanimously.

Feelings continue to run high among council members, and the rules will be circulated among them for six weeks for comments before adoption.

Alterations to the rule-book are usually circulated only for a fortnight. The council's statement yesterday confirmed that the extra period of consultation reflected the controversial nature of the discussion.

The central change in the rules allows jobbers to deal with individuals and firms on a central register. In the main, entry to the register will be restricted to members of overseas exchanges who act as market makers.

Jobbers will be allowed to deal directly with those registered only where they are acting as market makers and not when they are carrying out transactions as agents.

However, the foreign party will not be required to sign an affidavit that its business is as a principal—a suggestion made in the earlier discussions. This relaxation, which puts the onus on the jobbers to determine which sort of business is being done, has won their approval of the new rules.

Brokers with substantial overseas business are still strongly opposed to the rules, which they believe could give jobbers the opportunity to cut them out of business with some of their major overseas clients.

The council's statement yesterday said: "The broad principles of the rules, if confirmed, will be to allow jobbers wider access to members of overseas stock exchanges (including banks within the EEC, operating in their country of origin) and will define more clearly brokers' business as principals."

Tootal plans 800 job losses

BY RHYS DAVID, TEXTILES CORRESPONDENT

ABOUT 800 jobs are to be lost in Northamptonshire and London as the result of plans by Tootal, the textile group, to reduce its women's dress and men's shirt operations.

The closures, which follow a period of very poor trading in women's wear and predictions of continued tough competition throughout 1980, will leave Tootal Fashion, the group's subsidiary supplying women's and children's dresses to the chain stores, with only one factory at Longton, Staffs. Units at five locations in Northants, including the administrative headquarters, at Northampton, will be closed with the loss of 614 jobs, more than 80 per cent of them held by women.

The London closures affect two Rael-Brook shirt factories employing 170 people at Brixton and Walthamstow, which the company said yesterday were too small to develop.

Altogether, the workforce will be reduced by about 10 per cent from 7,500.

Tootal recently acquired the Manchester shirt maker, Humphrey Lloyd, and is concentrating its British shirt making in the North-West. Mr. Norman Hornsby, chairman of the clothing division said yesterday: "We will now have all our shirt production within 30 miles of Manchester and this will give us improvements in efficiency." The company also has shirt manufacturing operations in Northern Ireland.

The women's wear closures are blamed less on imports—which currently hold around 10 per cent of the dress market—than on the difficulties of profitability supplying the highly price-conscious UK chain stores with own-brand goods.

Clothing industry wins support, Page 6

'Downgraded' Jaguar men strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

ABOUT 730 Jaguar workers at Coventry went on strike yesterday amid signs of growing opposition to BL Cars' pay package.

The men at the Browns Lane assembly plant were protesting at their position in the proposed new five-grade pay structure. Mr. Ron Newcombe, the Transport and General Workers' Union senior shop steward, said that a wide range of tradesmen, such as tuners, fitters and painters, had been downgraded.

Union officials were unable to stop a spontaneous walkout. Frustration is considerable in the plant at the consistent low level of production because of a shortage of bodies from the Castle Bromwich factory, Birmingham.

In a separate dispute at the Jaguar engine plant at Radford, Coventry, 70 axle fitters are on strike about overtime. Their action led to layoffs among the 2,200 production workers at Radford last night.

The company, after failure to secure full agreement from union negotiators, decided to impose the five-grade structure unilaterally, plant by plant. Stoppages at Swindon and Cowley, Oxford, last year were headed off by the use of a company appeals procedure.

Mr. Bill Roche, transport workers' convener, at Pressed Steel Fisher, Cowley, said that after four months the company had failed to reach a decision on the disputed gradings.

"Very few people are happy with the new grades. There is the very real risk of stoppages in the future not only at Cowley but elsewhere."

The new grade structure is included with the company's annual pay offer: a 5 per cent increase with up to £15 a week in a self-financing incentive scheme.

The unions have called for a ballot. Its results are expected next Tuesday.

Steel pay offer

Continued from Page 1

If this essential maintenance is withdrawn, it would take weeks or months to get steel-making going again after the strike is over.

Officials of the ISTC were last night discounting the threat of the South Yorkshire strike committee to withdraw safety cover. There was some confusion about the nature of the decision—whether it was to begin the withdrawal or merely hold it in reserve as a threat.

In any case BSC's Sheffield division is confident that gaps left by the withdrawals of ISTC safety men from plants in the area can be filled by management staff. About 100 men maintaining furnaces joined the strike yesterday.

According to BSC management staff have been helping with essential safety jobs since the start of the dispute and more have been drafted in to cover withdrawals by the ISTC.

Elsewhere in the North ISTC members have yet to decide whether or not to respond to the Yorkshire committee's appeal. On Teesside the essential safety work on the recently completed blast furnace at Redcar, part of a £450m development of the site is being maintained.

Meanwhile workers of the only private steel company to have refused to join the sympathy strike called by the ISTC are due to hold mass meetings today. Their officials travelled to London yesterday with managers from the plant, Sheerness Steel, in Kent.

The local union officials were told that if they did not give their support they could not count on help from the union if they ever fell into dispute with their employers.

The managers asked for a personal interview with Mr. Sirs, to argue their case for exemption

Mr. Tiny Rowlands's attack on Sir Charles Villiers came after an angry meeting between the two men at British Steel's headquarter's yesterday.

Mr. Derek Norton, chairman of Hadfields, had led a party of workers and managers to picket BSC headquarters and the ISTC offices.

Mr. Rowlands said as he left after offering to personally mediate in the steel strike: "This man (Sir Charles) is totally impossible. I am entirely on Bill Sirs' side. There is a light year between Sir Charles and Bill Sirs."

Mr. Norton and his board of directors have decided that they will withhold £2m a month due to the Inland Revenue, as long as the steel strike continues.

Coke works to close

By Martin Dickson

MORE THAN 580 jobs are likely to be lost under a plan by National Smokeless Fuels to close a large coke works in South Yorkshire on the grounds of slack demand for blast-furnace coke in the steel industry.

The plant, at Manvers, near Mexborough, currently produces about 300,000 tonnes of coke a year out of the 3m tonnes supplied by NSF, a subsidiary of the National Coal Board.

But the majority of its 91 coke ovens are about 25 years old and near the end of their productive life. According to the NCB, major capital expenditure which would be involved in rebuilding the ovens cannot be justified, given the state of the market for coke, and the plant must close.

Weather

UK TODAY

CLOUDY with showers and fog patches. Brighter intervals.

London, S.E., Cent. S. and S.W. England

Fog patches Cloudy with rain in places. Max. 10C (50F).

Midlands, Wales, Lakes, N.W. and Cent. N. England

Overnight fog, mainly dry. Max. 6C (43F).

E. England

Fog patches at first, rain or sleet, becoming dry. Max. 6C

Channel Is.

Cloudy with some rain. Max. 11C (52F).

N.E. England, Borders, S.E. Scotland, Aberdeen

Cloudy with showers. Max. 4C (39F).

S.W. Scotland, Cent. Highlands, Ulster, I. or Man

Fog patches. Mainly dry with sunny intervals. Max. 4C (39F).

N.E. and N.W Scotland, Orkney and Shetland

Showers with sunny intervals. Max. 2C (36F).

Outlook: Cold with fog patches. Rain or snow spreading from West.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	18	64	Jersey	C	10	50
Algiers	S	22	72	L. Plms.	S	23	73
Amsdm.	R	8	46	Lisbon	C	15	59
Athens	S	16	61	Locarno	S	8	46
Barclna.	S	18	64	London	R	10	50
Beirut	F	16	61	Luxmbg.	R	7	45
Belfast	R	5	41	Luxor	S	20	68
Belgrd.	C	8	46	Madrid	S	12	54
Berlin	Sn	−1	30	Majorca	S	17	63
Biarritz	C	13	55	Malaga	Fg	12	54
Bmghm.	C	9	48	Malta	C	17	63
Blackp'l	C	8	46	Mchstr.	C	7	45
Bordx.	F	14	57	Mex. C.	C	15	59
Boulgn.	C	9	48	Milan	C	6	43
Bristol	R	9	48	Moscow	Sn	−1	30
Brussels	R	8	46	Munich	R	8	46
Budpst.	C	2	36	Naples	C	13	55
Cardiff	C	9	48	Nwcstl.	R	5	41
Cas'b'ca	S	16	61	Nice	S	23	73
Cologne	C	10	50	Nicosia	F	16	61
Conhgn.	F	−2	28	Oporto	R	13	55
Corfu	S	15	59	Oslo	S	−12	10
Dublin	R	9	48	Paris	R	11	52
Dbrvnk.	S	14	57	Prague	C	2	36
Ednbgh.	C	3	37	Reykivk.	C	−1	30
Faro	F	11	52	Rhodes	F	15	59
Florence	C	13	55	Rome	C	13	55
Frankf't	C	10	50	Salzb'rg	F	11	52
Funchal	S	17	63	Stckhm.	S	−7	19
Geneva	R	18	64	Strasb'g	C	10	50
Gibrltr.	S	19	66	Tangier	Fg	14	57
Glasgow	R	3	37	Tel Aviv	C	14	57
G'nsey	C	10	50	Tunis	S	21	70
Helsinki	Sn	−5	23	Valencia	S	22	72
Innsbr'k	F	5	41	Venice	S	9	48
Invrnss.	C	2	36	Vienna	C	3	37
I.o.Man	C	6	43	Warsaw	C	−2	28
Istanbul	C	5	41	Zurich	S	11	52

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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